

MUSINA LOCAL MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Musina Local Municipality
ANNUAL FINANCIAL STATEMENT
for the year ended 30 June 2019

INDEX	PAGE
General Information	1-3.
Accounting Officer's Statement	4-5.
Abbreviations	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	17
Comparison of Budget and Actual Amounts	10-12.
Reportable Segments for the year ended	13-16.
Notes to the annual financial statements	18-77
Appendices and Supplementary Information	78-81

**Annual Financial Statement
for
Musina Local Municipality
LIM 341**

for the year ended 30 June: **2019**

Province: Limpopo

AFS rounding: **R (i.e. only cents)**

Contact Information:

Accounting Officer	NT Tshivanammbi
--------------------	-----------------

Chief Financial Officer:	LT Nephawe
Contact telephone number:	0155346176
Contact e-mail address:	thomasn@musina.gov.za

treasury:	M Nkuna
Contact telephone number:	015 291 8400
Contact e-mail address:	NkunaMC@treasury.limpopo.gov.za

Name of relevant Auditor:	T Mogano
Contact telephone number:	0152839316
Contact e-mail address:	Thabomog@agsa.co.za

Treasury:	Thomas Matjeni
Contact telephone number:	012 315 5792
Contact e-mail address:	thomas.matjeni@treasury.gov.za

Legal form of entity:	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)
-----------------------	--

Nature of business and principal activities:	The provision of services (electricity and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy
--	---

**Annual Financial Statement
for
Musina Local Municipality
LIM 341**

Legislation governing the municipality's operations:	Local Government: Municipal Finance Management Act (Act no.56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Constitution of the Republic of south Africa (Act 108 of 1998) Municipal Property Rates Act (act of 6 2004) Division of Revenue Act (Act 1 of 2007)
--	---

Members of council	Name	Appointment date	Resignation date
Mayor	M E Muhlope	Aug-16	
Speaker	G Netshisaulu	Aug-16	
Chief whip	M F Mafela	Aug-16	
Exco	E S Shirilele	Aug-16	
Exco	G N Milanzi	Aug-16	
Exco	J Khunwana	Aug-16	
Exco	E Magwira	Aug-16	
Member	C M Phiri	Aug-16	May-19
MPAC Chair	P Nare	Aug-16	
Member	P Sakala	Aug-16	
Member	R Netshivhulana	Aug-16	
Member	T Netshipale	Aug-16	
Member	R Gadabeni	Aug-16	
Member	P Mbedzi	Aug-16	
Member	J Mukwevho	Aug-16	
Member	R Mavhungu	Aug-16	
Member	D Makhura	Aug-16	
Member	P Nyabanane	Aug-16	
Member	E Makatu	Aug-16	
Member	R Fick	Aug-16	
Member	E Mamafa	Aug-16	
Member	E Makhesha	Aug-16	
Member	Ndou	Jun-19	
Member	A Raselabe	Aug-16	

**Annual Financial Statement
for
Musina Local Municipality
LIM 341**

Grading of local authority:	03
-----------------------------	----

Registered office	Musina Municipality
-------------------	---------------------

Business address	Civic Centre 21 Irwin Street Musina 0900
------------------	---

Postal address	Private bag X611 Musina 0900
----------------	------------------------------------

Bankers	ABSA
---------	------

Auditors	Auditor-General of South Africa (AGSA)
----------	--

Musina Local Municipality
ANNUAL FINANCIAL STATEMENT
for the year ended 30 June 2019

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I as the Accounting Officer, acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I have reviewed the municipality's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, I am satisfied that the municipality has or have access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the Musina Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's external auditors.

I would like to bring to your attention the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 28 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

Musina Local Municipality
ANNUAL FINANCIAL STATEMENT
for the year ended 30 June 2019

The external auditor, being the Auditor General of South Africa, is responsible for independently reviewing and reporting on the municipality's annual financial statements.

The annual financial statements set out on pages 01 to 81, which have been prepared on the going concern basis, were approved on 31 August 2019

Accounting Officer

Date:

<p>Musina Local Municipality ANNUAL FINANCIAL STATEMENT for the year ended 30 June 2019</p>

Abbreviations

COGTA	Co operative Governance and Traditional Affairs
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
MSIG	Municipal System Improvement Grant
LGSETA	Local Government Services Sector Education & Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
INEP	Integrated National Electricity Programme
FMG	Financial Management Grant
EPWP	Expanded Public Works Programme Integrated Grant

Musina Local Municipality
STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2019

	Note	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
ASSETS			
Current Assets			
Cash and Cash Equivalents	2	1 453 471	2 624 615
Receivables From Exchange Transactions	3	21 880 219	10 659 629
Receivables From Non-exchange Transactions	4	203 978 818	168 801 177
Inventories	5	37 959 362	39 695 685
Other Current Assets	6	32 685 695	26 231 726
Total Current Assets		297 957 564	248 012 832
Non-Current Assets			
Investments	7	10 731 000	10 732 016
Investment Property	8	170 778 000	169 940 201
Property, Plant and Equipment	9	266 324 134	277 876 570
Heritage Assets	10	65 210	65 210
Intangible Assets	11	25 450	38 168
Total Non-current Assets		447 923 795	458 652 165
TOTAL ASSETS		745 881 359	706 664 997
LIABILITIES			
Current Liabilities			
Financial Liabilities	12	3 004 112	4 752 036
Consumer Deposits	13	4 868 034	4 688 485
Trade and Other Payables	14	540 460 725	451 275 753
Unspent Transfers and Subsidies	15	5 351 317	7 073 651
Provisions	16	4 389 952	3 556 657
Other Current Liabilities	17	-	-
Total Current Liabilities		558 074 141	471 346 583
Non-current Liabilities			
Financial Liabilities	12	3 197 806	6 201 918
Provisions	16	6 003 850	5 771 557
Other Non-current Liabilities	17	16 648 478	15 012 200
Total Non-current Liabilities		25 850 134	26 985 675
TOTAL LIABILITIES		583 924 274	498 332 258
NET ASSETS		161 957 085	208 332 739
Accumulated Surplus / (Deficit)		161 957 085	208 332 739
TOTAL NET ASSETS		161 957 085	208 332 739

Musina Local Municipality
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2019

	Note	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Revenue			
Non-Exchange Revenue			
Property Rates	18	16 639 769	15 314 892
Licences and Permits	24	4 920 958	4 670 537
Transfers and Subsidies – Operational	25	128 010 137	114 522 003
Fines, Penalties and Forfeits	23	1 606 675	1 895 020
Exchange Revenue			
Service Charges - Electricity	19	112 217 079	103 317 621
Service Charges – Waste Management	19	11 889 561	11 654 255
Rental	20	269 916	563 113
Interest on Investments	21	870 074	1 209 877
Interest on Receivables	22	4 616 753	3 086 725
Other Revenue	26	7 422 290	7 546 993
Gain on revaluation of Assets	27	837 799	-
Total Revenue (excl. capital transfers and subsidies)		289 301 010	263 781 037
Expenditure			
Employee Related Costs	28	135 514 399	142 121 004
Remuneration of Councillors	29	10 225 193	9 898 254
Debt Impairment / Write-off	3	9 559 237	6 488 508
Depreciation, Amortisation and Impairment	30	29 537 544	29 688 825
Finance Costs	31	876 801	1 668 128
Bulk Purchases	32	114 062 716	83 308 710
Inventory Consumed	33	1 842 780	22 623 095
Contracted Services	34	23 553 668	12 288 910
Transfers and Subsidies	35	3 857 391	2 913 000
Operational Costs	36	30 245 630	55 120 404
Loss on Disposal of Assets	27	60 638	-
Total Expenditure		359 335 997	366 118 837
Surplus/(Deficit)		-70 034 987	-102 337 800
Transfers and Subsidies – Capital	25	23 659 334	38 376 539
Surplus/(Deficit) After Capital Transfers and Contributions		-46 375 653	-63 961 262
Surplus/(Deficit) for the year		-46 375 653	-63 961 262

Musina Local Municipality
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 30 June 2019

	Accumulated Surplus / (Deficit)	TOTAL
Balance as at 30 June 2016	258 481 509	258 481 509
Prior Year error	-4 700 579	-4 700 579
Surplus / Deficit for the period	18 513 069	18 513 069
Balance as at 30 June 2017	272 294 000	272 294 000
Surplus / Deficit for the period	-65 461 262	-65 461 262
Prior period errors-revenue	3 086 725	
Prior period errors-debtors	-3 086 725	
Prior Period error-MIG	1 500 000	
Balance as at 30 June 2018	208 332 739	208 332 739
Surplus / Deficit for the period	-46 375 654	-46 375 654
Balance as at 30 June 2019	161 957 085	161 957 085

Musina Local Municipality
COMPARISON OF BUDGET AND ACTUAL AMOUNTS
for the year ended 30 June 2019

	2018/2019							
	R (i.e. only cents)							
	Original Budget	*Budget adjustments	Final adjustments budget	**Shifting of funds	***Virement	Final Budget	Actual Outcome	Variance
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Financial Performance								
Property rates	19 129 000	-	19 129 000		2 748 000	21 877 000	16 639 769	-5 237 231
Service charges	111 589 000	2 065 465	113 654 465		49 390 535	163 045 000	124 106 640	-38 938 360
Rental of facilities and equipment	-	-	-		-	-	269 916	269 916
Interest earned - external investments	821 000	235 245	1 056 245		-245	1 056 000	870 074	-185 926
Interest earned - outstanding debtors	-	-	-		-	-	4 616 753	4 616 753
Fines	-	-	-		-	-	1 606 675	1 606 675
Licences and permits	-	-	-		-	-	4 920 958	4 920 958
Transfers recognised - operational	126 955 000	-	126 955 000		1 055 000	128 010 000	128 010 137	137
Other revenue	28 182 000	5 217 826	33 399 826		12 528 174	45 928 000	7 422 290	-38 505 710
Gains on disposal of PPE	-	-	-		-	-	837 799	837 799
Total Revenue (excluding capital transfers and contributions)	286 676 000	7 518 536	294 194 536	-	65 721 464	359 916 000	289 301 010	-71 245 104
Employee related costs	120 700 000	7 101 309	127 801 309		17 084 691	144 886 000	135 514 399	-9 371 601
Remuneration of councillors	10 460 000	417 000	10 877 000		1 482 000	12 359 000	10 225 193	-2 133 807
Debt impairment	-	-	-		-	-	9 559 237	9 559 237
Debt impairment traffic	-	-	-		-	-	-	-
Depreciation & asset impairment	28 500 000	-	28 500 000		500 000	29 000 000	29 537 544	537 544
Finance charges	2 800 000	-	2 800 000		-	2 800 000	876 801	-1 923 199
Bulk purchases	83 942 000	-	83 942 000		21 798 000	105 740 000	114 062 716	8 322 716
Other materials	-	-	-		-	-	1 842 780	1 842 780
Contracted services	-	-	-		-	-	23 553 668	23 553 668
Transfers and grants	3 685 500	-	3 685 500		500	3 686 000	3 857 391	171 391
Other expenditure	36 588 727	-	36 588 727		24 856 273	61 445 000	30 245 630	-31 199 370
Loss on disposal of PPE	-	-	-		-	-	60 638	60 638
Total Expenditure	286 676 227	7 518 309	294 194 536	-	65 721 464	359 916 000	359 335 997	-580 003
Surplus/(Deficit)								
Transfers and subsidies - capital	-	-	-		-	-	-	-
Contributions recognised	43 492 000	-8 500 000	34 992 000		-	34 992 000	23 659 334	-11 332 666
Surplus/(Deficit) after capital transfers & contributions	43 492 000	-8 500 000	34 992 000	-	-	34 992 000	23 659 334	-
Surplus/(Deficit) for the year	43 491 773	-8 499 773	34 992 000	-	-	34 992 000	-46 375 653	-11 332 666
Reconciliation to statement of financial performance								
Total Revenue (excl. capital transfers and subsidies)	-286 676 000	-7 518 536	-294 194 536		-65 721 464	-294 194 978	-289 301 010	4 893 968
Total Expenditure	286 676 227	7 518 309	294 194 536		65 721 464	359 916 000	359 335 997	-580 003
Transfers and Subsidies – Capital	43 492 000	-8 500 000	34 992 000		-	-34 992 000	-23 659 334	11 332 666
Surplus/(deficit) per the statement of financial performance	43 492 227	-8 500 227	34 992 000		-	30 729 022	46 375 653	15 646 631

Musina Local Municipality
COMPARISON OF BUDGET AND ACTUAL AMOUNTS
for the year ended 30 June 2019

Comparison of Budget and Actual Amounts for the year ended 30 June 2019 (Continued)

	2018/2019							
	R (i.e. only cents)							
	Original Budget	*Budget adjustments	Final adjustments budget	**Shifting of funds	***Virement	Final Budget	Actual Outcome	Variance
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Capital expenditure and fund source								
Transfers recognised – capital	43 394 000	-5 000 000	38 394 000		-	38 394 000	35 494 000	-2 900 000
Public contributions & donations	-	-	-		-	-	-	-
Borrowings	-	-	-		-	-	-	-
Internally generated funds	-	-	-		-	-	-	-
Financial position								
Total Current assets	167 462 000					167 462 000	297 957 564	130 495 564
Total non current assets	482 912 000					482 912 000	447 923 795	-34 988 205
Total current liabilities	130 703 000					130 703 000	558 074 141	427 371 141
Total non current liabilities	9 363 000					9 363 000	25 850 134	16 487 134
Net Assets	510 308 000					510 308 000	161 957 085	-348 350 915

Comparison of Budget and Actual Amounts for the year ended 30 June

	2018/2019							
	R (i.e. only cents)							
	Original Budget	*Budget adjustments	Final adjustments budget	**Shifting of funds	***Virement	Final Budget	Actual Outcome	Variance
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Cash flows								
Net Cash flow from (used) operating	36 889 000					36 889 000		
Net cash flow from(used) Investing Activities	-29 460 000					-29 460 000		
Net cash flow from (used) Financing	-7 000 000					-7 000 000		
Net increase/decrease in cash held	429 000					429 000		

Musina Local Municipality
COMPARISON OF BUDGET AND ACTUAL AMOUNTS
for the year ended 30 June 2019

Comparison of Budget and Actual Amounts for the year ended 30 June 2019 (Continued)

	2017/2018 R (i.e. only cents)		
	Final Budget	Actual outcome	Variance
Financial Performance			
Property rates	18 115 000	15 314 892	-2 800 108
Service charges	164 605 000	114 971 877	-49 633 123
Investment revenue	780 000	1 209 877	429 877
Transfers recognised – operational	113 022 000	114 522 003	1 500 003
Other own revenue	107 507 900	14 675 663	-92 832 237
Total revenue (excl capital transfers and contributions)	404 029 900	260 694 312	-143 335 588
Employee costs	120 834 916	142 121 004	21 286 088
Remuneration of councillors	7 267 000	9 898 254	2 631 254
Depreciation & asset impairment	30 088 000	36 177 333	6 089 333
Finance charges	2 040 000	1 668 128	-371 872
Materials and bulk purchases	174 707 298	105 931 805	-68 775 493
Contracted Services	5 136 645	12 288 910	7 152 265
Transfers and grants	18 189 137	2 913 000	-15 276 137
Other expenditure	45 765 904	55 120 404	9 354 499
Total expenditure	404 028 900	366 118 837	-37 910 063
Surplus/(deficit)			
Transfers and subsidies – capital	42 468 000	38 376 539	-4 091 461
Contributions recognised			
Surplus/(deficit) after capital transfers and contributions	42 468 000	-67 047 987	-109 516 987
Reconciliation to statement of financial performance			
Total Revenue (excl. capital transfers and subsidies)		263 781 037	263 781 037
Total Expenditure		366 118 837	366 118 837
Transfers and Subsidies – Capital		38 376 539	38 376 539
Surplus/(deficit) per the statement of financial performance		-63 961 262	-63 961 262
Capital expenditure and fund source			
Transfers recognised – capital	42 468 000	38 376 539	-4 091 461
Financial position			
Total current assets	132 284 000	248 012 832	115 728 832
Total non-current assets	459 502 000	458 652 165	-849 835
Total current liabilities	110 080 000	471 346 583	361 266 583
Total non-current liabilities	12 527 000	26 985 675	14 458 675
Net Assets	469 179 000	208 332 739	490 604 255
Cash Flows			
Net cash from (used) operating activities	44 709 000	-18 649 590	-63 358 590
Net cash from (used) investing activities	-39 658 000	26 531 913	66 189 913
Net cash from (used) financing activities	10 957 000	-6 456 725	-17 413 725
Net increase/decrease in cash held	16 008 000	1 425 598	-14 582 402

**Musina Local Municipality
SEGMENTS
for the year ended 30 June 2019**

	2018/2019					
	R (i.e. only cents)					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Segment Revenue						
External revenue from non-exchange transaction	-6 577 633	-	-134 869	-15 882 409		-22 594 912
External revenue from exchange transactions	-176 922	-	-123 971 770	-7 182 644	-837 799	-132 169 135
Revenue from transactions with other segments		-20 038 941	-4 660 393	-128 010 137		-152 709 470
Interest revenue				-5 486 827		-5 486 827
Segment Expenses						-
Total segment expenses	61 721 019	24 855 348	132 956 645	109 395 125		328 928 137
Depreciation and amortisation				29 537 544		29 537 544
Interest expense				870 316		870 316
Surplus/deficit for the year	54 966 464	4 816 407	4 189 612	-16 759 031	-837 799	46 375 653

**Musina Local Municipality
SEGMENTS
for the year ended 30 June 2019**

	2018/2019					
	R (i.e. only cents)					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Other Information						
Segment assets	17 738 076	50 911 401	164 897 940	461 683 931	50 651 092	745 882 441
Segment liabilities	183 058	2 701 481	40 746 836	513 974 512	27 819 470	585 425 356
Additions to non-current assets						
Non-cash revenue (included above)						
Non-cash expenses (included above)						
Cash flows from operating activities						
Cash flows from investing activities						
Cash flows from financing activities						

Musina Local Municipality
SEGMENTS
for the year ended 30 June 2019

	2017/2018 R (i.e. only cents)					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Segment Revenue						
External revenue from non-exchange transaction	-6 566 233	-	-13 922 955	-15 327 619		-35 816 807
External revenue from exchange transactions	-301 518	-1 301 994	-101 048 922	-7 703 068		-110 355 502
Revenue from transactions with other segments		-39 389 542	-5 000 000	-105 799 122		-150 188 664
Interest revenue				-1 209 877		-1 209 877
Segment Expenses						
Total segment expenses	73 745 159	34 221 962	119 289 621	107 076 390		334 333 132
Depreciation and amortisation				28 088 843		28 088 843
Interest expense				610 136		610 136
Internal charges						
Surplus/deficit for the year	66 877 408	-6 469 574	-682 256	5 735 681	-	65 461 261

Musina Local Municipality
SEGMENTS
for the year ended 30 June 2019

	2017/2018 R (i.e. only cents)					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Other Information						
Segment assets	19 957 723	37 322 977	63 167 258	586 217 039		706 664 997
Segment liabilities	-	-	28 936 627	470 895 631		499 832 258
Additions to non-current assets						
Non-cash revenue (included above)						
Non-cash expenses (included above)						
Cash flows from operating activities						
Cash flows from investing activities						
Cash flows from financing activities						

Musina Local Municipality
CASH FLOW STATEMENT
for the year ended 30 June 2019

	Note	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts		297 094 299	
Property Rates		18 884 377	
Service Charges		113 172 872	125 767 758
Operational Revenue		14 219 839	44 686 582
Transfers and Subsidies – Capital	25	28 994 000	
Transfers and Subsidies – Operational	25	120 953 137	155 490 104
Interest	21	870 074	1 209 877
Payments		275 425 024	
Suppliers and Employees		270 690 831	-344 135 783
Finance Charges	31	876 801	-1 668 128
Transfers and Subsidies		3 857 391	
Taxes			
NET CASH FROM(USED) OPERATING ACTIVITIES		21 669 275.68	-18 649 590
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on Disposal of Fixed and Intangible Assets		-	-
Decrease (Increase) in Non-current Receivables		-	-
Decrease (Increase) in Investments	7	1015.51	-
Payments			
Capital Assets	9	-18 268 948	26 531 913
NET CASH FROM(USED) INVESTING ACTIVITIES		-18 267 933	26 531 913
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
Short-term Loans			925 543
Borrowing Long-term			-
Increase (Decrease) in Consumer Deposits	13	179 549.47	
Payments			
Repayment of Borrowing		-4 752 037	-7 382 267
NET CASH FROM FINANCING ACTIVITIES		-4 572 487.39	-6 456 725
NET INCREASE (DECREASE) IN CASH		-1 171 144	1 425 598
Cash and Cash Equivalents at year begin	2	2 624 615	1 199 017
Cash and Cash Equivalents at year end	2	1 453 471	2 624 615

Notes to the financial statements

Index to the Notes

1	Summary of Significant Accounting Policies
2	Cash and cash equivalents
3	Receivables from exchange transactions
4	Receivables from Non-Exchange Transactions
5	Inventories
6	Other Current Assets
7	Investments
8	Investment Property
9	Property, Plant and Equipment
10	Heritage Assets
11	Intangible Assets
12	Financial Liabilities
13	Consumer Deposits
14	Trade and Other Payables
15	Unspent Transfers and Subsidies
16	Provisions
17	Other Liabilities
18	Property Rates
19	Service Charges
20	Rental
21	Interests on Investments
22	Interest Earned From Receivables
23	Fines, Penalties and Forfeits
24	Licenses and Permits
25	Transfers and Subsidies
26	Operational Revenue
27	Gain/Loss on Disposal of Fixed and Intangible Assets
28	Employee Related Costs
29	Remuneration of Councillors
30	Depreciation, Amortisation and Impairment
31	Finance cost
32	Bulk Purchases
33	Inventory Consumed {Repair & Maintenance}
34	Contracted Services
35	Transfers and Subsidies
36	Operational Costs
37	Net Cash From/(Used) Operating Activities
38	Correction prior year errors
39	Unauthorised, Irregular, Fruitless and wasteful expenditure disallowed
40	Additional Disclosures in Terms of Municipal Finance Management Act
41	Capital Commitments
42	Contingent Liabilities
43	Contingent Assets
44	Related Party Disclosures
45	Events after the Reporting Date
46	Key Sources of Estimation Uncertainty and Judgements
47	Risk Management
48	Change in Accounting Policy
49	Change in Estimate
50	Operational Grant Expenditure
51	Income Forgone
52	In-Kind Donations and Assistance
53	Deviation from Procurement Processes - Supply Chain Regulation 36(2)
54	Going Concern
	Appendix A - Property Plant and Equipment

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
30 JUNE 2019

1 BASIS OF ACCOUNTING

1.1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on the accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months. Refer to note 56.

1.1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided on these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparative are restated accordingly.

Certain comparative figures have been reclassified.

The nature and reasons for the reclassification and restatement are disclosed in note 40 correction of prior period error to the financial statements.

1.1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

GRAP 20 - Related Party Disclosures- Applicable

GRAP 32- Service Concession Arrangements- not applicable

GRAP 34-Separate Financial Statements -Not applicable

GRAP 35- Consolidated Financial Statements- Not applicable

GRAP 36- Investment in Associates and Joint Ventures- Not applicable

GRAP 37- Joint Arrangements- Not applicable

GRAP 38- Disclosure of interest in other entities- Not applicable

GRAP108- Statutory Receivables- Not applicable
 GRAP 109- Accounting by Principals and Agents- Not applicable
 GRAP 110- Living and non Living Resources- Not applicable
 IGRAP 18
 IGRAP 19

1.2 PROPERTY, PLANT AND EQUIPMENT

1.2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Where an item of property, plant and equipment was under construction at year end (Work in progress), such assets will be disclosed in aggregate per class of the assets and not individually to reflect each project. Such assets will not be depreciated until they are completed.

1.2.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.2.3 DEPRECIATION

Depreciation is calculated at historical cost, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure

Infrastructure Assets

Roads, pavement, double seals, road signs and Road markings
 Street names, signs and parking meters
 Car parks, bus terminals and taxi ranks

Years

15-40
 5
 20

Electricity - Mass lights	15
Electricity - Transformers	15
Electricity - Street lights	15
Housing	30
Street lighting	25
Refuse sites	30
Bridges	40
Community Assets	
Parks and gardens	30
Sport fields	30
Community halls	30
Libraries	30
Recreation facilities	30
Clinics	30
Fire services	30
Cemeteries	30
Other Assets	
Motor vehicles	5
Plant and equipment	5
Security measures	3
Buildings	30
IT equipment	3
Office equipment	5

Finance leased assets are depreciated over the lease term.

Land is not depreciated as it is regarded as having an infinite life.

The useful life of an item of property plant and equipment is reviewed periodically and, if expectations are significantly different from previous estimates, the depreciation charge from the current and future periods gets adjusted. During the year items of property, plant and equipment useful life was assessed and based on the assesment there were no changes to prior year estimates.

1.2.4 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.3 HERITAGE ASSETS

1.3.1 INITIAL RECOGNITION

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

At initial recognition, the municipality measures heritage assets at cost once it meets the definition of heritage assets. However, where a heritage asset was acquired through a non-exchange transaction (i.e. where it acquired the heritage assets for no or a nominal value), its cost is its fair value as at the date of acquisition.

1.3.2 SUBSEQUENT MEASUREMENT – REVALUATION MODEL

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

1.3.3 Derecognition

When the heritage assets are permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognised.

1.4 INTANGIBLE ASSETS

1.4.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

After initial recognition, an intangible asset is carried at its cost less any accumulated impairment losses and amortisation. Amortisation is charged on a straight-line basis over their useful life which is estimated to be between 3 and 5 years. The useful life of an intangible asset is the period over which that asset is expected to be available for use of by the municipality. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, but are tested for impairment annually and impaired if necessary.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The estimated useful life and amortisation methods are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are recognised at cost. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire the asset at the time of its acquisition or construction. Only cost incurred on computer software and websites that meet the definition of an intangible asset are recognised. All other cost incurred on intangible assets during the exemption period has been expensed.

1.4.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.4.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

3-5

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

1.4.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.5 INVESTMENT PROPERTY

1.5.1 INITIAL RECOGNITION

Investment property includes property held to earn income, or capital appreciation rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

An asset is derecognised when it is disposed off or when no future economic benefits or service potential is expected. Any gain or loss is recognised in surplus or deficit,.

1.5.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

1.5.3 DERECOGNITION

When the investment property is permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognised.

1.6 INVENTORIES

1.6.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.6.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Asset held for sale are measured at cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method

1.7 FINANCIAL INSTRUMENTS

1.7.1 INITIAL RECOGNITION

Financial assets and liabilities are recognised on the municipality's statement of financial position when the municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at cost.

1.7.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with GRAP 104.

1.7.2.1 INVESTMENTS

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

1.7.2.2 RECEIVABLES (EXCHANGE AND NON-EXCHANGE)

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

1.7.2.3 TRADE PAYABLES (EXCHANGE AND NON EXCHANGE) AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

1.7.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.7.3 DERECOGNITION

A financial asset or the specifically identified cash flows of an asset is derecognised when:

- a) The cash-flows from the asset expire, are settled or waived;
- b) Significant risks and rewards are transferred to another party; or
- c) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

1.7.4 GAINS AND LOSSES

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

1.7.5 OFFSETTING

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.7.6 IMPAIRMENTS

All financial assets measured at amortised cost, or cost are subject to an impairment review. The Municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If an entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it will include the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date on which the impairment is reversed. The amount of the reversal shall be recognised in surplus or deficit.

For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

1.8 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.9 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.10 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.11 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land). Provision include, Provision for rehabilitation of landfill sites, Long service, Medical aid and provision for leave accrual.

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

1.12 LEASES

1.12.1 OPERATING AND FINANCE LEASE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

1.13 REVENUE

1.13.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on 3 month average usage.

Service charges relating to refuse removal are recognised on a monthly basis in advance by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue arising from the use of others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and the amount of revenue can be measured reliably

- Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.
- Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.
- Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale and where prepaid electricity is not fully consumed or utilised at the end of the reporting period, revenue will be recognised to the extent that the prepaid electricity has been consumed

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

1.13.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

Fines constitute of traffic fines. Revenue from traffic fines is recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

1.14 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.15 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund
- National fund for Municipal workers

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

a) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

1.16 EMPLOYEE BENEFITS

Remuneration to employees is recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs.

The costs of all short-term employee benefits, such as leave pay, are recognised in the period the employee renders the related service.

Leave pay accrual

The liability is based on the total amount of leave days due to the employees on the reporting date and on their total remuneration package.

Provision for Performance Bonuses

A provision in respect of the liability relating to the anticipated costs of 13th cheque bonuses payable to all employees is maintained. Where performance appraisals have not yet been performed at year-end, a performance bonus provision is raised based on the employment contract stipulations and previous performance bonus payment trends.

Long service awards

Employees, who have completed 10 years' unbroken service, are entitled to receive a once-off cash award. The cash award is included in the employee's salary in the month of the service anniversary. The calculations are made by an actuary appointed by the Municipality on a competitive bidding process.

1.17 IMPAIRMENT OF ASSETS

1.17.1 IMPAIRMENT OF ASSETS - NON - CASH GENERATING ASSETS

Those assets held by the Municipality without an intention of generating a commercial return from such asset. The Municipality assesses at each reporting date whether any indications exist that an asset may be impaired. When such an indication exists, the Municipality estimates the recoverable service amount of the asset.

The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined by using either the depreciated replacement cost, restoration cost or service unit approach, depending on the availability of data and the nature of the impairment. If the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in carrying amount of an asset due to the reversal of impairment loss should not exceed what the asset's original carrying would have been if no impairment loss were recognised.

1.17.2 IMPAIRMENT OF ASSETS - CASH GENERATING ASSETS

Those assets held by the Municipality for the purpose of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated Municipality, it generates a commercial return.

The Municipality assesses at each reporting date whether there is any indication that an asset or cash-generating unit to which an asset belongs to may be impaired. When such an indication exists, the Municipality estimates the recoverable amount of the asset. The recoverable amount is the higher of the cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined as the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The future expected cash flows are discounted at a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. If the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in the carrying amount of an asset due to the reversal of an impairment loss should not exceed what the carrying amount would have been if no impairment loss had been recognised.

1.18 COMMITMENTS

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for and approved and not contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

1.19 RELATED PARTIES

The Municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that member of management in their dealings with the Municipality.

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another Municipality or person are disclosed.

1.20 BUDGET INFORMATION

Municipality is typically subjected to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar measures. General purpose financial reporting by municipalities must provide information on whether resources were obtained and used in accordance with the legally adopted budget. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements. Percentage movements of +/-10% or more are regarded as significant and are followed up.

1.21 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements in conformity with GRAP required the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Municipality's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements where applicable. This includes the following: provision for bad debts, provision for land fill sites, defined benefits, impairments of assets and rehabilitation of landfill sites.

1.22 PROVISION FOR LANDFILL SITE

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the net present value of cost. The cost factor as determined, have been applied and projected at an inflation rate of 11.50 %, and discounted to the present value at the average borrowing cost of 10%.

1.23 CONSUMER DEPOSIT

Initial and Subsequent measurement.

These are deposits that held by the municipality for all accounts that the municipality has with the customers, deposits are reviewed each year when tariffs are taken to council, after the review the deposit will be adjusted to reflect any changes to value if there are differences. The deposit is then paid out to customers on termination of the accounts provided the account holder does not have any liabilities on their accounts. This is disclosed under current liabilities.

1.24 TRANSFERS OF FUNCTIONS BETWEEN ENTITIES NOT UNDER COMMON CONTROL

The objective of this standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.

A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions. In event of a transfer of function between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values

The difference between the amount of consideration paid, if any, and the carrying amounts of assets acquired and liabilities assumed should be recognised in accumulated surplus/ deficit.

For a transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

1.25 VALUE ADDED TAX

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

The municipality accounts for VAT on the payment/receipts basis. Output VAT is only payable as and when the purchase consideration is received and input tax can only be claimed as and when payments are made.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

2 CASH AND CASH EQUIVALENTS

2.1 Cash and cash equivalents

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
<i>Cash and cash equivalents consist of the following:</i>		
Cash at bank	1 453 471	2 624 615
Total cash and cash equivalents	1 453 471	2 624 615

Cash at banks earns interest at floating rates based on daily bank deposit rates
Bank balances amounting to R1 393 935.75 million
include an amount of R28 994 000 million which must be
used on infrastructure projects.

2.2 Bank accounts

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
<i>The municipality has the following bank accounts:</i>		
ABSA Bank Limited - Musina Branch: Account Number 2050550179	1 393 936	2 686 728
ABSA Bank Limited - Musina Branch: Account Number 4074881456	59 535	51 894
Total	1 453 471.16	2 738 622

2.3 Difference between Cash Book and Bank Statement

	2018/2019 R (i.e. only cents)		
	Cash book	Bank Statement	Difference
ABSA Bank Limited - Musina Branch: Account Number 2050550179	1 453 471	1 393 936	59 535
ABSA Bank Limited - Musina Branch: Account Number 4074881456		59 535	-59 535

Difference between Cash Book and Bank Statement (Continued)

	2017/2018 R (i.e. only cents)		
	Cash book	Bank Statement	Difference
ABSA Bank Limited - Musina Branch: Account Number 2050550179	2 624 615	2 686 728	62 113
ABSA Bank Limited - Musina Branch: Account Number 4074881456	-	51 894	51 894

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

3 Receivables from exchange transactions

		2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Consumer receivables from exchange transactions	3.1		
Electricity		11 471 121	3 922 053
Waste Management		7 352 652	3 967 953
Other receivables from exchange transactions	3.2		
Housing Selling Scheme		43 552	43 833
Interest		488 986	536 838
Land Sale Debtors		94 429	95 491
Merchandising, Jobbing and Contracts		208 335	-
Property Rental Debtors		-12 541	-
Cutt off revenue billing		2 233 686	2 093 463
Total Receivables from Exchange Transactions		21 880 219	10 659 629.44

The amount disclosed in this note is net of impairment.

3.1 Consumer Receivables

	2018/2019 R (i.e. only cents)		
	Gross	Impairment	Total
Consumer receivables from exchange transactions			
Electricity	22 381 849	-10 910 728	11 471 121
Waste Management	9 863 833	-2 511 182	7 352 652
Total consumer receivables from exchange transactions	32 245 683	-13 421 910	18 823 772
Consumer receivables from non-exchange transactions			
Property Rates	33 420 704	-20 406 902	13 013 802
Total consumer receivables from non-exchange transactions	33 420 704	-20 406 902	13 013 802
Total consumer receivables	65 666 387	-33 828 812	31 837 575

Consumer Receivables -(Continued)

	2017/2018 R (i.e. only cents)		
	Gross	Impairment	Total
Consumer receivables from exchange transactions			
Electricity	9 096 751	-5 174 699	3 922 053
Waste Management	8 242 409	-4 274 457	3 967 953
Total consumer receivables from exchange transactions	17 339 161	-9 449 156	7 890 005
Consumer receivables from non-exchange transactions			
Property Rates	27 523 890	-16 882 232	10 641 658
Total consumer receivables from non-exchange transactions	27 523 890	-16 882 232	10 641 658
Total consumer receivables	44 863 050	-26 331 388	18 531 663

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

3.1.1 Impairment Reconciliation of Consumer Receivables

	2018/2019 R (i.e. only cents)			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables from exchange transactions				
Electricity	2 087 973	8 822 755	-	10 910 728
Waste Management	4 274 457	-1 763 275	-	2 511 182
Total	6 362 430	7 059 480	-	13 421 910
Consumer receivables from non-exchange transactions				
Property Rates	20 406 902	-	-	20 406 902
Total consumer receivables from non-exchange transactions	20 406 902	-	-	20 406 902
Total consumer receivables	26 769 332	7 059 480	-	33 828 812

Impairment Reconciliation of Consumer Receivables (Continued)

	2017/2018 R (i.e. only cents)			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables from exchange transactions				
Electricity	-1 746 226	-3 428 473		-5 174 699
Waste Management	-2 160 582	-2 113 875		-4 274 457
Total	-3 906 808	-5 542 348	-	-9 449 156
Consumer receivables from non-exchange transactions				
Property Rates	18 041 493		-1 159 261	16 882 232
Total consumer receivables from non-exchange transactions	18 041 493	-	-1 159 261	16 882 232
Total consumer receivables	14 134 685	-5 542 348	-1 159 261	7 433 077

3.1.2 Aging of Consumer Receivables

	2018/2019 R (i.e. only cents)			
	Total	Current	30 days	60 days
Consumer receivables from exchange transactions				
<i>Aging by debt type</i>				
Electricity	19 017 880	3 784 656	1 173 807	6 706 133
Waste Management	9 863 833	1 066 434	595 003	502 985
Total by debt type	28 881 714	4 851 091	1 768 809	7 209 117
<i>Aging per customer group</i>				
Organs of State	1 293 582	179 456	116 243	123 183
Commercial Customers	9 598 005	1 118 336	399 113	6 158 732
Households	14 276 473	2 982 853	967 041	698 087
Other	3 713 654	570 445	286 413	229 116
Total by customer group	28 881 714	4 851 091	1 768 809	7 209 117

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Aging of Consumer Receivables - (Continued)

	2018/2019 R (i.e. only cents)		
	90 days	120 days	120+ days
Consumer receivables from exchange transactions			
<i>Aging by debt type</i>			
Electricity	607 708	445 311	6 300 266
Waste Management	406 449	333 379	6 959 584
Total by debt type	1 014 156	778 690	13 259 850
<i>Aging per customer group</i>			
Organs of State	82 937	101 249	690 515
Commercial Customers	196 946	118 443	1 606 436
Households	572 696	487 300	8 568 495
Other	161 577	71 698	2 394 404
Total by customer group	1 014 157	778 690	13 259 850

Aging of Consumer Receivable (Continued)

	2018/2019 R (i.e. only cents)			
	Total	Current	30 days	60 days
Consumer receivables from non-exchange transactions				
<i>Aging by debt type</i>				
Property Rates	33 878 313	1 271 131	682 307	628 669
Total by debt type	33 878 313	1 271 131	682 307	628 669
<i>Aging per customer group</i>				
Organs of State	4 510 172	69 897	26 953	26 659
Commercial Customers	14 616 372	369 776	206 736	215 070
Households	8 276 507	530 758	246 533	231 876
Other	6 471 329	299 704	201 724	154 704
Total by customer group	33 874 380	1 270 135	681 946	628 309

Aging of Consumer Receivable (Continued)

	2018/2019 R (i.e. only cents)		
	90 days	120 days	120+ days
Consumer receivables from non-exchange transactions			
<i>Aging by debt type</i>			
Property Rates	501 438	417 181	30 377 588
Total by debt type	501 438	417 181	30 377 588
<i>Aging per customer group</i>			
Organs of State	23 018	22 742	4 340 903
Commercial Customers	166 305	138 905	13 519 579
Households	177 169	140 156	6 950 015
Other	134 917	115 355	5 564 926
Total by customer group	501 409	417 158	30 375 423

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Aging of Consumer Receivable (Continued)

	2017/2018 R (i.e. only cents)			
	Total	Current	30 days	60 days
Consumer receivables from exchange transactions				
<i>Aging by debt type</i>				
Electricity	8 103 488	3 720	1 207 060	607 753
Waste Management	8 242 409	1 078	635 355	405 611
Total by debt type	16 345 898	4 798	1 842 415	1 013 364
<i>Aging per customer group</i>				
Organs of State	622 827	123 332	99 035	4 502
Commercial Customers	3 658 835	1 070 534	598 264	175 775
Households	9 970 772	1 401 189	1 964 403	608 216
Cutt off - billing	2 093 463	2 093 463		
Total by customer group	16 345 898	4 688 518	2 661 702	788 493

Aging of Consumer Receivable (Continued)

	2017/2018 R (i.e. only cents)		
	90 days	120 days	120+ days
Consumer receivables from exchange transactions			
<i>Aging by debt type</i>			
Electricity	572 089	370 482	5 342 384
Waste Management	373 557	329 039	6 497 770
Total by debt type	945 646	699 521	11 840 154
<i>Aging per customer group</i>			
Organs of State	4 145	32 973	358 842
Commercial Customers	148 432	538 706	1 127 125
Households	599 810	2 655 781	2 741 372
Cutt off - billing			
Total by customer group	752 387	3 227 460	4 227 339

Aging of Consumer Receivable (Continued)

	2017/2018 R (i.e. only cents)			
	Total	Current	30 days	60 days
Consumer receivables from non-exchange transactions				
<i>Aging by debt type</i>				
Property Rates	27 523 890		3 314 730	744 080
Total by debt type	27 523 890	-	3 314 730	744 080
<i>Aging per customer group</i>				
Organs of State	2 027 811	18 605	37 138	18 044
Commercial Customers	8 850 170	243 275	289 888	111 532
Households	16 645 909	800 352	1 056 509	335 986
Other				
Total by customer group	27 523 890	1 062 231	1 383 535	465 561

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Aging of Consumer Receivable (Continued)

	2017/2018 R (i.e. only cents)		
	90 days	120 days	120+ days
Consumer receivables from non-exchange transactions			
<i>Aging by debt type</i>			
Property Rates	465 903	427 405	22 571 772
Total by debt type	465 903	427 405	22 571 772
<i>Aging per customer group</i>			
Organs of State	16 783	416 013	1 521 229
Commercial Customers	107 200	1 083 343	7 014 933
Households	317 778	2 326 952	11 808 332
Other			
Total by customer group	441 760	3 826 308	20 344 494

3.1.3 Credit Quality of Consumer Receivables

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
	1 145 444	2 042 091

3.1.4 Collection Rate of Consumer Receivables

	2018/2019	2017/2018
Business	38.52%	122.83%
Government	-1.32%	-0.07%
Households	-6.26%	-5.82%
Other	-72.90%	-156.09%
Overall collection rate	-41.95%	-39.15%

3.2 Other Receivables From Exchange Transactions

	2018/2019 R (i.e. only cents)		
	Gross	Impairment	Total
Housing Selling Scheme	43 552	-	43 552
Interest	1 034 468	-545 482	488 986
Land Sale Debtors	94 429	-	94 429
Merchandising, Jobbing and Contracts	222 843	-14 508	208 335
Property Rental Debtors	313 311	-325 852	-12 541
Cutt off revenue billing	2 233 686		2 233 686
Total	3 942 289	-885 843	3 056 447

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Other Receivables From Exchange Transactions - Continued

	2017/2018 R (i.e. only cents)		
	Gross	Impairment	Total
Housing Selling Scheme	43 833		43 833
Interest	1 082 320	-545 482	536 838
Land Sale Debtors	95 491		95 491
Merchandising, Jobbing and Contracts	1 039 421	-1 039 421	-
Property Rental Debtors	325 852	-325 852	-
Cutt off revenue billing	2 093 463		2 093 463
Total	4 680 380	-1 910 756	2 769 624

3.2.1 Impairment Reconciliation of Other Receivables From Exchange Transactions

	2018/2019 R (i.e. only cents)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Interest	-545 482	-	-	-545 482
Merchandising, Jobbing and Contracts	-1 039 421	1 024 913	-	-14 508
Property Rental Debtors	-325 852	-	-	-325 852
Total	-1 910 756	1 024 913	-	-885 843

Impairment Reconciliation of Other Receivables From Exchange Transactions- Continued

	2017/2018 R (i.e. only cents)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Interest	-442 042	-640 278		-1 082 320
Merchandising, Jobbing and Contracts		-220 687		-220 687
Property Rental Debtors		-325 852		-325 852
Deposits		-281 896		-281 896
Total	-442 042	-1 468 713	-	-1 910 756

3.2.2 Aging of Other Receivables From Exchange Transactions

	2018/2019 R (i.e. only cents)			
	Total	Current	30 days	60 days
Housing Selling Scheme	43 552	80	79	78
Interest	1 034 468		229	460
Land Sale Debtors	94 429			
Merchandising, Jobbing and Contracts	222 843	8 328	6 056	2 033
Property Rental Debtors	313 311	3 903	3 863	3 823
Cutt off revenue billing	2 233 686	2 233 686		
Total	3 942 289	2 245 997	10 227	6 394

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Aging of Other Receivables From Exchange Transactions- (Continued)

	2018/2019 R (i.e. only cents)		
	90 days	120 days	120+ days
Housing Selling Scheme	77	63	43 176
Interest			1 033 780
Land Sale Debtors			94 429
Merchandising, Jobbing and Contracts	2 013	1 635	202 779
Property Rental Debtors	3 783	3 205	294 732
Total	5 873	4 903	1 668 896

Aging of Other Receivables from Exchange Transactions (Continued)

	2017/2018 R (i.e. only cents)			
	Total	Current	30 days	60 days
Housing Selling Scheme	125 247	63	63	63
Interest	1 032 804			
Merchandising, Jobbing and Contracts	867 990	1 679	1 635	1 596
Property Rental Debtors	290 462	3 205	3 205	3 205
Deposits	270 413			
Total	2 586 917	4 947	4 903	4 864

Aging of Other Receivables from Exchange Transactions (Continued)

	2017/2018 R (i.e. only cents)		
	90 days	120 days	120+ days
Housing Selling Scheme	63	63	124 935
Interest			1 032 804
Merchandising, Jobbing and Contracts	1 591	9 645	851 844
Property Rental Debtors	3 205	3 205	274 435
Deposits			270 413
Total	4 859	12 913	2 554 431

3.2.3 Credit Quality of Other Receivables From Exchange Transactions

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
	526 231	433 950

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

4 Receivables from Non-Exchange Transactions

		2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Consumer receivables	3.1		
Property Rates		13 013 802	10 641 658
Other receivables	4.1		
Fines		2 792 956	2 572 206
Sundry Debtors		53 318	-
Vhembe District Municipality		188 118 741	155 587 314
Total Receivables		203 978 818	168 801 177

4.1 Other Receivables from Non-Exchange Transactions

	2018/2019 R (i.e. only cents)		
	Gross	Impairment	Total
Fines	10 742 140	-7 949 184	2 792 956
Sundry Debtors	350 289	-296 972	53 318
Vhembe District Municipality	188 118 741	-	188 118 741
Total	199 211 171	-8 246 156	190 965 015

Other Receivables from Non-Exchange Transactions - (Continued)

	2017/2018 R (i.e. only cents)		
	Gross	Impairment	Total
Fines	9 201 213	-6 629 007	2 572 206
Sundry Debtors	378 435	-378 435	-
Vhembe District Municipality	155 587 314	-	155 587 314
Total	165 166 962	-7 007 442	158 159 519

4.1.1 Impairment Reconciliation of Other Receivables from Non-exchange Transactions

	2018/2019 R (i.e. only cents)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Fines	-7 949 184	-	-	-7 949 184
Sundry Debtors	-296 972	-	-	-296 972
Total	-8 246 156	-	-	-8 246 156

Impairment Reconciliation of Other Receivables from Non-exchange Transactions - (Continued)

	2017/2018 R (i.e. only cents)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Fines	-6 629 007	-	-	-6 629 007
Sundry Debtors	-	-378 435	-	-378 435
Total	-6 629 007	-378 435	-	-7 007 442

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

5 Inventories

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Consumables	3 753 314	2 969 738
Materials and Supplies	1 805 447	1 805 346
Land	32 400 600	34 920 600
Total Inventories	37 959 362	39 695 685

R0 million (2017/2018: R0 million) of total inventory was carried at fair value less cost to sell.

The amount of write-down of inventories recognized as an expense is R0 million (2017/2018: R0 million). Refer to **Note 38.1**.

R0 million previously written-down was reversed during the current year.

6 Other Current Assets

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
VAT Receivable	32 685 695	26 231 726
Total	32 685 695	26 231 726

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors. However for the purpose of financial statements VAT is presented on the accrual basis.

7 Investments

7.1 Carrying Value of Investments

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2019				
Eskom Bank Guarantee	10 731 000			10 731 000
Day Call	1 016	67	-1 082	-
Net Investment				
Transferred to Current Investments				
Transferred to Cash and Cash Equivalents				
Total	10 732 016	67	-1 082	10 731 000

Carrying Value of Investments (Continued)

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2018				
Eskom Bank Guarantee	12 605 974			12 605 974
Day Call	1 016			1 016
Net Investment	12 606 989	-	-	12 606 989
Transferred to Current Investments				
Transferred to Cash and Cash Equivalents	-1 874 974			-1 874 974
Total	10 732 016	-	-	10 732 016

7.2 Investments Pledged as Collateral

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Carrying value of investments pledged as collateral	10 731 000	10 731 000

Three (3) Months recurring investment made with ABSA.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

8 Investment Property

Reconciliation of fair value

	2018/2019	2017/2018
	R (i.e. only cents)	R (i.e. only cents)
Opening Carrying Value	169 940 201	171 636 201
Fair Value Adjustments	837 799	
Carrying Value of Disposals / Transfers		-1 696 000
Closing Carrying Value	170 778 000	169 940 201

Investment property includes property held to earn income and for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

The fair value of the entity's investment property at 30 June 2019 has been arrived at on the basis of a valuation carried out at that date by Eli Stroh Valuers, independent valuers that are not related to the entity. Eli Stroh Valuers are members of the South African institute of valuers, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to South Africa's Valuation standards, was arrived at by reference to market evidence of transaction prices for similar properties.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

9 Property, Plant and Equipment
9.1 Reconciliation of Carrying Value

	2018/2019 R (i.e. only cents)						
	Land	Buildings	Infrastructure Assets	Community Assets	Transport Assets	Other Assets	Total
Opening Carrying Value at 1 July 2018	29 725 202	53 306 992	143 408 274	41 465 626	9 043 781	926 695	277 876 570
Cost/Revaluation	29 725 202	69 815 976	364 817 578	48 413 389	28 998 758	1 009 683	542 780 585
Accumulated depreciation and impairment losses	-	(16 508 984)	(221 409 304)	(6 947 763)	(19 954 977)	-82 988	(264 904 015)
Additions from Acquisitions	-	-	-	-	-	122 156	122 156
Capital under Construction	-	2 499 887	12 787 918	2 858 987	-	-	18 146 792
Depreciation	-	(2 182 921)	(20 154 509)	(1 400 232)	(2 250 290)	(336 561)	(26 324 512)
Carrying value of disposals	-250 000	-	-	-	-34 348	-26 290	-310 638
Cost/Revaluation	250 000	-	-	-	(1 192 147)	-352 507	(1 294 654)
Accumulated depreciation and impairment losses	-	-	-	-	1 157 799	326 216	1 484 016
Impairment loss/Reversal of impairment loss	-	-	(3 186 233)	-	-	-	(3 186 233)
Transfers-Mutale Assets	-	-	-	-	-	-	-
Transfers Depreciation	-	-	-	-	-	-	-
Other movements Cost	-	-	-	-	-	-	-
Other movements-Depreciation	-	-	-	-	-	-	-
Closing Carrying Value at 30 June 2019	29 475 202	53 623 958	132 855 450	42 924 382	6 855 008	590 134	266 324 134
Cost/Revaluation	29 475 202	72 315 863	377 605 496	51 272 376	27 576 260	1 009 683	559 254 879
Accumulated depreciation and impairment	-	(18 691 905)	(244 750 046)	(8 347 994)	(20 721 252)	(419 548)	(292 930 745)

Other Assets consists of Equipment, Furniture, and Vehicles. Details of the sub-categories is indicated in Appendix B.

Refer to Appendix B for more detail on property, plant and equipment.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Reconciliation of Carrying Value (Continued)

	2017/2018 R (i.e. only cents)						
	Land	Buildings	Infrastructure Assets	Community Assets	Transport Assets	Other Assets	Total
Opening Carrying Value at 1 July 2017	29 725 202	51 095 658	151 231 047	37 846 732	11 135 454	-	281 034 093
Cost/Revaluation	29 725 202	65 487 642	350 524 841	43 427 197	27 175 532	-	516 340 414
Accumulated Depreciation and Impairment	-	(14 391 983)	(199 293 794)	(5 580 465)	(16 040 079)	-	(235 306 321)
Additions from Acquisitions	-	-	-	-	1 914 967	1 009 683	2 924 650
Capital under Construction	-	4 328 334	14 292 737	4 986 192	-	-	23 607 263
Depreciation	-	(2 117 000)	(20 538 112)	(1 367 298)	(3 984 056)	(82 988)	(28 089 454)
Carrying value of disposals	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	(91 741)	-	(91 741)
Accumulated depreciation and impairment losses	-	-	-	-	91 741	-	91 741
Impairment loss/Reversal of impairment loss	-	-	(1 577 398)	-	-22 584	-	(1 599 981)
Transfers-Mutale Assets	-	-	-	-	-	-	-
Transfers Depreciation	-	-	-	-	-	-	-
Other movements Cost	-	-	-	-	-	-	-
Other movements-Depreciation	-	-	-	-	-	-	-
Closing Carrying Value at 30 June 2018	29 725 202	53 306 992	143 408 274	41 465 626	9 043 781	926 695	277 876 570
Cost/Revaluation	29 725 202	69 815 976	364 817 578	48 413 389	28 998 758	1 009 683	542 780 585
Accumulated depreciation and impairment losses	-	(16 508 984)	(221 409 304)	(6 947 763)	(19 954 977)	(82 988)	(264 904 015)

Other Assets consists of Equipment, Furniture, and leased assets. Details of the sub-categories is indicated in Appendix B

Refer to Appendix B for more detail on property, plant and equipment

During the year impairment test was performed on all categories of Property, Plant and Equipment. The method which was used to determine the recoverable amount was the higher of fair value less costs and value in use. The impairment existed in the category of roads infrastructure.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

9.2 The engineer estimated the costs of damages of each class of infrastructure assets based on quoted prices available in the market to restore the infrastructure and the professional knowledge based on the industry norms.

	2018/2019 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment	-	24 939 773	16 154 287	-	-	41 094 060
<i>Of which:</i>	-	-	-	-	-	-
Accumulated borrowing costs included in the carrying amount of property, plant and equipment	-	-	-	-	-	-
Borrowing costs capitalised during the period	-	-	-	-	-	-
Carrying value of property, plant and equipment taking significantly longer than expected	-	-	-	-	-	-
Carrying value of property, plant and equipment halted	-	3 496 699	1 518 646	-	-	5 015 345

Property, Plant and Equipment Under Construction (Continued)

	2017/2018 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment	-	16 276 164	10 795 413	-	-	27 071 577
<i>Of which:</i>	-	-	-	-	-	-
Accumulated borrowing costs included in the carrying amount of property, plant and equipment	-	-	-	-	-	-
Borrowing costs capitalised during the period	-	-	-	-	-	-
Carrying value of property, plant and equipment taking significantly longer than expected	-	-	-	-	-	-
Carrying value of property, plant and equipment halted	-	3 496 699	1 518 646	-	-	5 015 345

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

9.3 Property, Plant and Equipment Contractual Commitments

	2018/2019 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following commitments exist at the reporting date</i>						
Commitments for the acquisition of property, plant and equipment - (Approved and contracted for)	-	8 185 989.00	3 423 541.00	-	-	11 609 530.00
Commitments for the acquisition of property, plant and equipment - (Approved but not yet contracted for)	-	24 265 541.00	14 750 459.00	-	-	39 016 000.00
Commitments to construct or develop property, plant and equipment	-	-	-	-	-	-
Commitments to enhance existing property, plant and equipment	-	-	-	-	-	-
Commitments to repair / maintain property, plant and equipment	-	11 387 218	-	-	-	-
Total	-	43 838 748.00	18 174 000.00	-	-	50 625 530.00

Property, Plant and Equipment Contractual Commitments (Continued)

	2017/2018 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following commitments exist at the reporting date</i>						
Commitments for the acquisition of property, plant and equipment - (Approved and contracted for)	-	11 188 864	7 454 661	-	-	18 643 525
Commitments for the acquisition of property, plant and equipment - (Approved but not yet contracted for)	-	18 760 778	10 233 333	-	-	28 994 111
Commitments to enhance existing property, plant and equipment	-	-	-	-	-	-
Commitments to repair / maintain property, plant and equipment	-	15 367 000	-	-	-	15 367 000
Total	-	45 316 642	17 687 994	-	-	63 004 636

9.4 Restrictions on Property, Plant and Equipment

	2018/2019 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The note should include a description and amount of any restrictions on asset titles.</i>	-	-	-	-	-	-
Total						

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

	2017/2018 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The above should include a description and amount of any restrictions on asset titles.</i>	-	-	-	-	-	-
Total						

9.5 Property, Plant and Equipment Pledged as Security

	2018/2019 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Carrying value of property, plant and equipment pledged as security	-	-	-	-	-	-

	2017/2018 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Carrying value of property, plant and equipment pledged as security	-	-	-	-	-	-

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

9.6 Maintenance of Property, Plant and Equipment

	2018/2019 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following maintenance costs were incurred:</i>						
Preventative Maintenance	-	-	-	-	-	-
Corrective Maintenance	-	1 708 137	88 451	-	89 272	1 885 039
Total						

Maintenance of Property, Plant and Equipment - (Continued)

	2017/2018 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following maintenance costs were incurred:</i>						
Preventative Maintenance	-	-	-	-	-	-
Corrective Maintenance	-	22 623 095	-	-	-	22 623 095
Total						

9.6.1 Maintenance of Property, Plant and Equipment by Condition

	2018/2019 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Preventative Maintenance						
Interval Based	-	-	-	-	-	-
Condition Based	-	-	-	-	-	-
Corrective Maintenance	-	-	-	-	-	-
Planned	-	-	-	-	-	-
Emergency	-	-	-	-	-	-
Total						

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Maintenance of Property, Plant and Equipment by Condition -
(Continued)

	2017/2018 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Preventative Maintenance						
Interval Based	-	-	-	-	-	-
Condition Based	-	-	-	-	-	-
Corrective Maintenance	-	-	-	-	-	-
Planned	-	-	-	-	-	-
Emergency	-	-	-	-	-	-
Total						

9.6.2 Maintenance of Property, Plant and Equipment by Nature and Type of Expenditure

	2018/2019 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Direct Costs						
List per mSCOA account description						
Maintenance of Buildings and Facilities	-		88 451.35			
Maintenance of Equipment	-	1 708 136.51			89 272.08	
Indirect costs						
List per mSCOA account description	-	-	-	-	-	-
Total						

	2017/2018 R (i.e. only cents)					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Direct Costs						
List per mSCOA account description	-	-	-	-	-	-
Maintenance of Unspecified Assets (Infrastructure)		22 623 095				
Indirect costs						
List per mSCOA account description	-	-	-	-	-	-
Total						

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

9.7 Funding of Property, Plant and Equipment Acquisitions

	Funding Type	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
<i>Additions to property, plant and equipment was funded from the following sources:</i>			
Land and Buildings Include funding source			
Infrastructure Assets Include funding source	MIG and ENEP	12 787 918	14 292 737
Community Assets Include funding source	MIG	5 358 874	9 314 526
Leased Assets Include funding source	Own Income		1 009 683
Transport Assets Include funding source	Own Income		1 227 583
Other Assets Include funding source	Own Income	122 155	687 384
Total			

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

10 Heritage Assets

10.1 Reconciliation of Carrying Value

	2018/2019	2017/2018
	<i>R (i.e. only cents)</i>	<i>R (i.e. only cents)</i>
	Other Assets	Other Assets
Opening Carrying Value	65 210	65 210
Cost	65 210	65 210
Closing Carrying Value	65 210	65 210
Cost	65 210	65 210
Accumulated Impairment Losses	-	-

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

All heritage asset were acquired through a non-exchange transaction, as a result the heritage assets costs were measured at its fair value.

The heritage assets were fair valued at year end by an independent Valuer -Eli Stroh Pty Ltd, using methods and assumptions consistent with GRAP 103.

Heritage assets were valued by the firm Eli Stroh Pty Ltd on 30 June 2018

11 Intangible Assets

11.1 Reconciliation of Carrying Value

	2018/2019	2017/2018
	<i>R (i.e. only cents)</i>	<i>R (i.e. only cents)</i>
Opening Carrying Value at 1 July 2018	38 168.34	41 366.54
Cost	319 649.68	300 875.46
Accumulated Depreciation and Impairment	-281 481.34	-259 508.92
Additions from Acquisitions	-	18 774.22
Depreciation [Note 30]	-12 718.04	-21 972.42
Closing Carrying Value at 30 June 2019	25 450.30	38 168.34
Cost	319 649.68	319 649.68
Accumulated Depreciation and Impairment	-294 199.38	-281 481.34

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

12 Financial Liabilities

12.1 Carrying Value of Financial Liabilities

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Finance leases	588 982	925 542
Borrowings	5 612 936	10 028 413
Sub-total		
Transferred to Current Liabilities		
Total	6 201 918	10 953 955

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Long Term Portion		
DBSA	2 945 385	5 612 937
ABSA		-
Total Long Term	2 945 385	5 612 937
Short Term Portion		
DBSA	2 667 551	2 424 862
ABSA		1 990 614
Total Short Term	2 667 551	4 415 476
Total Borrowings	5 612 936	10 028 413

The loan terms and interest rate are as follows

ABSA- 5 years at 8.5% interest rate.

DBSA- 10 years at 10% interest rate

Refer to Appendix A for more detail on borrowings.

12.2 Finance Lease Payable

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Total Future Minimum Lease Payments		
Within 1 year	-58 776	-104 212
2 to 5 years	-14 284	-73 060
More than 5 years		
Less: Future Finance Charges		
Present Value of Minimum Lease Payments		
Within 1 year	395 337	440 773
2 to 5 years	266 705	662 042
More than 5 years		
Non-current Liability	252 421	588 982
Current Liability	336 561	336 561
Total	588 982	925 542

The entity entered into a finance lease agreement with Dido digital document for the finance of copy machines purchased, over a 3 year lease term. The assumed borrowing rate on the copy machines is 13,5% per annum and interest is charged at the beginning of each month. The finance lease agreement does not provide for contingent lease payments. There were no defaults or breaches and the no terms and conditions were renegotiated during the reporting period.

13 Consumer Deposits

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Electricity	3 812 489	3 632 940
Refuse	1 055 545	1 055 545
Total	4 868 034	4 688 485

Deposits are released on termination of the contract or when the contractual services are

Consumer deposits were not reviewed during the 17/18 year because of the implementation of the new financial

13.1 Guarantees held in lieu

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Electricity	1 733 813	1 733 813
Total	1 733 813	1 733 813

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

14 Trade and Other Payables

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>		
Affiliates, Related Parties and Associated Companies	14.1	248 050 321	210 492 674	-37 557 646.38	
Bulk Purchases	14.2	91 418 806	37 451 287		
Contractors	14.3	6 949 529	4 970 346	273 073 508.38	224 368 412
Control and Clearing Accounts	14.4	1 123 620	413 488		48 705 096
Employee Benefits	14.5	19 336 896	16 414 667		
Other Payables	14.6	173 581 554	181 533 292		
Total		540 460 725	451 275 753		

14.1 Affiliates, Related Parties and Associated Companies

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Vhembe District Municipality	224 031 363	183 299 132
Department Transport	24 018 957	27 193 542
Total	248 050 321	210 492 674

14.2 Bulk Purchases

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Bulk Electricity	91 418 806	37 451 287
Total	91 418 806	37 451 287

14.3 Contractors

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Retentions	6 949 529	4 970 346
Total	6 949 529	4 970 346

14.4 Control and Clearing Accounts

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Employee Deductions FICS	-	-
Leave Control	-359 177	-
Medical Aid Control	-	-
Pension Control	1 122 375.26	-
Prepaid Electricity	360 422	413 488
Salary Control	-0	-
Skills Control	0	-
Tax Control	-	-
UIF Control	-	-
Unions Control	-	-
Total	1 123 620	413 488

14.5 Employee Benefits

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Leave Accrual	19 336 896	16 414 667
Total	19 336 896	16 414 667

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

14.6 Other Payables

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Sale of stands	26 474 823	23 974 356
Solly Noor	3 785 885	3 883 563
Cemetery upgrade	2 481 568	2 481 568
Payables and Accruals	131 789 491	141 961 569
Unallocated Deposits	588 391	588 391
Other Revenue	55 100	70 910
Advance Payments	8 406 296	8 572 934
Total	173 581 554	181 533 292

The fair value of trade and other payables approximates their carrying amounts.

15 Unspent Transfers and Subsidies

		2018/2019 R (i.e. only cents)			
		Opening Balance	Funds Received	Funds Utilised	Closing Balance
Capital					
Allocations	15.1	7 073 651	28 994 000	-30 716 334	5 351 317
Operational					
Allocations	15.2	-	128 010 137	-128 010 137	-
Total		7 073 651	157 004 137	-158 726 470	5 351 317

Unspent Transfers and Subsidies - (Continued)

		2017/2018 R (i.e. only cents)			
		Opening Balance	Funds Received	Funds Utilised	Closing Balance
Capital					
Allocations	15.1	4 482 190	42 468 000	-39 876 539	7 073 651
Operational					
Allocations	15.2	-	113 022 003	-113 022 003	-
Total		4 482 190	155 490 003	-152 898 542	7 073 651

15.1 Unspent Capital Allocations

	2018/2019 R (i.e. only cents)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
INEP	5 638 214	6 500 000	-9 318 013	2 820 201
MIG	1 435 437	22 494 000.00	-21 398 321	2 531 116
Total	7 073 651	28 994 000	-30 716 334	5 351 317

Unspent Capital Allocations - (Continued)

	2017/2018 R (i.e. only cents)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
INEP	1 299 551	18 000 000	-13 661 337	5 638 214
MIG	3 182 639	24 468 000	-26 215 202	1 435 437
Total	4 482 190	42 468 000	-39 876 539	7 073 651

15.2 Unspent Operational Allocations - (Continued)

	2018/2019 R (i.e. only cents)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Equitable share	-	124 015 136.59	-124 015 136.59	-
FMG	-	1 900 000.00	-1 900 000.00	-
EPWP	-	1 040 000.00	-1 040 000.00	-
MSIG	-	1 055 000.00	-1 055 000.00	-
Total	-	128 010 136.59	-128 010 136.59	-

Unspent Operational Allocations - (Continued)

	2017/2018 R (i.e. only cents)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Equitable share	-	102 827 000	-102 827 000	-
Energy efficiency and demand side management	-	5 000 000	-5 000 000	-
Demarcation	-	2 282 000	-2 282 000	-
FMG	-	1 900 000	-1 900 000	-
EPWP	-	1 013 004	-1 013 004	-
Total	-	113 022 003	-113 022 003	-

These amounts are invested in ring-fenced investment until utilised.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

16 Provisions

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Annual Bonus	16.1	3 581 015	3 010 357
Long-service Awards	16.2	6 812 787	6 317 857
Total		10 393 802	9 328 214

16.1 Annual Bonus

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Opening Balance	3 010 357	3 098 581
Additional Provisions Raised	570 658	-
Reversals		-88 224
Closing Balance	3 581 015	3 010 357

16.2 Long-service Awards

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Opening Balance	6 317 857	5 535 671
Additional Provisions Raised	494 930	782 186
Closing Balance	6 812 787	6 317 857
Transferred to Current Provisions	808 937	546 300
Total Non-current provision	6 003 850	5 771 557

Unfunded Accrued Liability

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Opening balance	6 317 857	5 535 671
Current-service cost	662 228	630 256
Interest cost	523 357	450 880
Actuarial (Gain)/Loss	-144 355	256 252
Expected employer benefit vesting	-546 300	-555 202
Closing Balance	6 812 787	6 317 857
Projected accrued liability	6 957 142	6 061 605

Net liability to reflect in the balance sheet

Opening balance	6 317 857	5 535 671
Current-service cost	662 228	630 256
Interest cost	523 357	450 880
Actuarial (Gain)/loss recognised in P&L	-144 355	256 252
Net Prelioc Cost Recognised in P&L	7 359 087	6 873 059
Actual employer benefits payments	-546 300	-555 202
Closing Balance	6 812 787	6 317 857

Long service award projections/provisions is an actuarial assumption. This is the total value of the long service awards that are expected to be awarded to eligible employees over the year based on the data at the previous. The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service.

Long service Awards for levels of past service

Completed service(In years)	Long service Bonus (% of annual Salary)	Description
10	4.0%	10 /250* annual salary
15	8.0%	20 /250* annual salary
20,25,30,35,40,45	12.0%	30 /250* annual salary

Key financial assumptions

Assumption	Value p.a 18/19	Value p.a 17/18
Discount rate	8.21%	8.65%
General Salary inflation (Long-term)	5.58%	6.22%
Net effective discount rate	2.49%	2.29%

The salaries used in the valuation include an assumed increase on 1 July 2018 of 6.5%. The next salary increase was assumed to take place on 1 July 2019.

17 Other Liabilities

Defined Benefit Obligations

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Post-Employment Medical Benefits Liability			
Present value of defined benefit obligation	17.1	16 648 478	15 012 200
Total		16 648 478	15 012 200

17.1 Reconciliation of Present Value of the Defined Benefit Obligations

	Defined Benefit Plan	Post-Employment Medical Benefits	Total
Defined benefit obligation at 1 July 2017			
Opening Balance		15 779 941	15 779 941
Interest Cost		1 544 129	1 544 129
Current Service Cost		1 298 276	1 298 276

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Contributions Received		-290 103	-290 103
Actuarial (Gains) / Losses		-3 320 043	-3 320 043
Defined benefit obligation at 30 June 2018		15 012 200	15 012 200
Interest Cost		1 447 155	1 447 155
Current Service Cost		1 208 950	1 208 950
Contributions Received		-253 420	-253 420
Actuarial (Gains) / Losses		-766 407	-766 407
Defined benefit obligation at 30 June 2019		16 648 478	16 648 478

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

17.2 Analysis of Funding

	2018/2019	2017/2018
The Municipality provides certain post-retirement medical aid benefits. These medical aid benefits are unfunded. These projections assume that the Municipality's health care arrangement and subsidy policy will remain as outlined in the valuation rapport and that all the actuarial assumptions made are In addition, it is assumed that no contributions are made by the Municipality towards prefunding its liability via an off-balance sheet		
The following assumptions were used :		
Discount rate	9.68%	9.87%
Health care cost inflation rate	7.09%	8.15%
Net effective discount rate	2.42%	1.60%

The assumptions on the discount rate were based on market valuation for the period which Sensitivity of valuation result to changes in main assumptions

Sensitivity Analysis on the accrued Liability 30/06/2019

Assumption	Change	In service	Continuation	Total	Change %
Health care inflation	+1%	16.964	2.89	19.85	19%
	-1%	11.661	2.44	14.10	-15%

Sensitivity Analysis on the accrued Liability 30/06/2018

Assumption	Change	In service	Continuation	Total	Change %
Health care inflation	+1%	15.203	2.70	17.90	19%
	-1%	10.362	2.34	12.70	-15%

Sensitivity Anylysis on current-service and interest cost 30/06/2019

Assumption	Change	Current service cost	interest cost	Total	Change %
Health care inflation	+1%	1 503 000	1 727 700.00	3 230 700.00	22%
	-1%	979 700	1 222 300.00	2 202 000.00	17%

Sensitivity Anylysis on current-service and interest cost 30/06/2018

Assumption	Change	Current service cost	interest cost	Total	Change %
Health care inflation	+1%	1 622 200	1 837 200	3 459 400	22%
	-1%	1 047 200	1 309 200	2 356 400	-17%

RETIREMENT BENEFIT INFORMATION

Defined contribution plan

The following are defined contribution plans: Joint Municipal pension fund, Municipal

Defined benefit plan

The following are defined benefit plans: Municipal Gratuity Fund. This plan is not treated as Certain employees of the municipality belong to the Joint Municipal pension fund, Municipal

17.3 Net Benefit Expense

	Defined Benefit Plan	Post-Employment Medical Benefits	Total
For the year ended 30 June 2019			
Current Service Costs		1 208 950	1 208 950
Curtailments / Settlements		-253 420	-253 420
Interest Cost on Benefit Obligation		1 447 155	1 447 155
Actuarial Gains / Losses Recognised		-766 407	-766 407
Total expense recognised in the statement of financial performance		1 636 278	1 636 278
For the year ended 30 June 2018			
Current Service Costs		1 298 276	1 298 276
Interest Cost on Benefit Obligation		1 544 129	1 544 129
Curtailments / Settlements		-290 103	-290 103
Actuarial Gains / Losses Recognised		-3 320 043	-3 320 043
Total expense recognised in the statement of financial performance		-767 741	-767 741

17.4 Reconciliation of Fair value of Plan Assets

	Defined Benefit Plan	Post-Employment Medical Benefits	Total
Plan Assets at 1 July 2017			
Expected Return On Plan Assets	-	15 012 200	15 012 200.00
Plan Assets at 30 June 2018		15 012 200	15 012 200.00
Expected Return On Plan Assets	-	16 648 478	16 648 478.00
Plan Assets at 30 June 2019		16 648 478	16 648 478.00

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

18 Property Rates

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Business and Commercial Properties	5 037 428	4 651 867
Farm Properties: Agricultural Purposes	4 374 439	4 249 155
Industrial Properties	1 359 792	1 284 687
Public Benefit Organisations	-	522 915
Other categories	335 423	-
Public Service Infrastructure Properties	66 008	62 320
Residential Properties: Developed	5 340 632	4 419 316
Residential Properties: Vacant Land	126 048	124 631
Total	16 639 769	15 314 892

Valuations

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Farm Prop - Agricultural	3 259 024 000	3 161 931 598
Residential 1	1 527 697 335	564 751 673
Residential 4	-	20 800 000
Business 1	1 094 896 563	142 014 001
Business 2	-	75 000
Industrial 1	240 711 000	164 882 000
Industrial 2	51 660 000	1 443 000
Municipal Properties	320 200 804	299 569 810
Private Sport/Social Clubs	-	660 000
Property use for Multi Purpose	-	1 901 575
Institutional	-	1 860 000
Industrial Properties	-	106 711 000
Right of way	-	9 000
Residential Properties	-	1 299 992 640
Commercial	-	8 470 000
Churches	23 942 000	26 253 850
Business And Commercial - Sectional Title	-	2 000 000
Farm Prop - Business & Commerce	189 961 000	147 961 000
Farm Prop - Other	40 000 000	184 500 000
Farm Prop - Residential	8 520 000	6 340 000
Business And Commercial	-	836 718 562
State Owned - Mutale	-	742 933 000
State Owned - Agricultural	1 034 809 000	293 696 000
State Owned - Commercial	111 767 000	114 467 000
State Owned - Public Benefit	39 220 000	39 220 000
State Owned - Residential	175 239 000	175 239 000
State Owned - Schools	3 650 000	10 250 000
Land Assistance Act	74 530 000	74 530 000
Municipal - Commercial/Buss	-	16 020 000
National Monuments	2 000	2 000
Part Remainder	-	11 669 000
Public Benefit	81 620 000	50 110 000
Public Service Infrastructure	80 527 100	126 235 100
Private Schools	5 090 000	4 540 000
Residential - Inconsistant Use	49 156 000	47 778 000
Residential - Sectional Title	10 675 000	38 933 000
Residential Vacant	30 631 800	56 922 000
Eskom Servitude	-	2 698 000
National Roads	31 000 000	31 000 000
Vacant Land	-	13 953 000
Special	15 450 000	15 450 000
Total	8 499 979 602	8 844 489 809

Valuations on land and buildings are performed every four years. The last valuation was done by Eli Stroh (Pty) Ltd and came into effect on 1 July 2012. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.

Rates are levied on an annual basis on state and De Beers property owners, and other rates are levied monthly. Interest at prime + 1% per annum are levied on outstanding rates.

19 Service Charges

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Electricity		
Consumption - Electricity	69 874 137	56 653 384
Other - Electricity	42 342 942	46 664 237
Total	112 217 079	103 317 621
Waste Management		
Consumption - Waste Management	11 889 561	11 644 335
Other - Waste Management	-	9 920
Total	11 889 561	11 654 255
Total Service Charges	124 106 640	114 971 877

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

20 Rental

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Market Related		
Non-market Related	-	140 704
Rent on Land	269 916	422 409
Total	269 916	563 113

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

21 Interests on Investments

	2018/2019	2017/2018
	<i>R (i.e. only cents)</i>	<i>R (i.e. only cents)</i>
Bank Accounts	126 101	547 431
Short-term Investments and Call Accounts	743 973	662 446
Total	870 074	1 209 877

22 Interest Earned From Receivables

		2018/2019	2017/2018
		<i>R (i.e. only cents)</i>	<i>R (i.e. only cents)</i>
Exchange Receivables	22.1	4 152 789.46	3 086 725.29
Non-exchange Receivables	22.2	463 963.42	-
Total		4 616 752.88	3 086 725.29

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

22.1 Interest Earned From Exchange Receivables

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Consumer Receivables		
Electricity	3 820 869	3 086 725.29
Waste Management	327 649	-
Other Receivables	-	-
Housing Selling Schemes	64	-
Property Rental Debtors	4 208	-
Total	4 152 789	3 086 725.29

22.2 Interest Earned From Non-exchange Receivables

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Property Rates	463 963	-
Total	463 963	-
Total Receivables	4 616 753	3 086 725.29

Interest on consumer debtors was not levied in the financial year 2017/18. This was due to the implementation of the new financial system, mainly delays in billing and month end closures which resulted in the use of hand receipts. The municipality did not have a reliable basis of levying interest as we could not with certainty confirm any consumer account to be in arrears. however an estimate was calculated and disclosed on the AFS.

23 Fines, Penalties and Forfeits

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Fines	23.1	1 606 675	1 895 020
Total		1 606 675	1 895 020

23.1 Fines

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Traffic Fines		
Court Fines	-	-
Service Provider Fines	-	-
Municipal Fines	1 606 675	1 895 020
Total	1 606 675	1 895 020

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

24 Licenses and Permits

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Exchange Revenue	4 920 958	4 670 537
Non-exchange Revenue		
Total	4 920 958	4 670 537

24.1 Licenses and Permits – Exchange Revenue

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Road and Transport: Drivers Licence Certificate	4 920 958	4 670 537
Total	4 920 958	4 670 537

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

25 Transfers and Subsidies

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Operational			
Allocations	25.1	128 010 137	114 522 003
Total Transfers and Subsidies: Operational		128 010 137	114 522 003
Capital			
Allocations	25.2	23 659 334	38 376 539
Total Transfers and Subsidies: Capital		23 659 334	38 376 539
Total		151 669 470	152 898 542

25.1 Allocations: Operational

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Equitable share	124 015 137	104 327 000
Energy efficiency and demand side management	-	5 000 000
Demarcation	-	2 282 000
FMG	1 900 000	1 900 000
MSIG	1 055 000	-
EPWP	1 040 000	1 013 004
Total	128 010 137	114 522 003

25.2 Allocations : Capital

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
MIG	18 998 941	24 715 202
INEP	4 660 393	13 661 337
Total	23 659 334	38 376 539

Equitable share - In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy that was approved by Council (Tariff List).

EPWP - This grant is used to pay salaries for staff.

INEP - This grant from department of energy is used to electrify households that do not have any electricity.

26 Operational Revenue

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Sundry Income	1 567 015	639 059
LG Seta	211 665	-
Tenders General	244 701	369 443
Membership fees - Library	1 497	675
Permits - Clearance	59 198	177 861
Grave Fees & Stone	166 148	165 750
Building Plans	440 258	454 104
Sale of Stands	4 731 808	5 740 100
Total	7 422 290	7 546 993

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

27 Gain/Loss on Disposal of Fixed and Intangible Assets

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Gains on Disposal	27.1	837 799	-
Losses on Disposal	27.2	60 638	-
Total		898 437	-

27.1 Gains on revaluation

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Investment Property	837 799	-
Total	837 799	-

27.2 Losses on Disposals

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Property Plant and Equipment	60 638	-
Total	60 638	-

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

28 Employee Related Costs

		2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Senior Management	28.1	5 046 872	3 304 412
Municipal Staff	28.2	130 467 527	142 121 004
Total		135 514 399	145 425 416

28.1 Senior Management Costs

	2018/2019 R (i.e. only cents)			
	Municipal Manager	Chief Financial Officer	Community Service Manager	Corporate Service Manager
Annual Salary	1 201 883	696 331	1 027 775	785 655
Bonuses	92 959	-	85 648	64 814
Car allowance	103 557	146 439	135 952	270 003
Acting	-	66 915	-	-
Leave Days	-	-	-	-
Rural Allowance	104 908	40 428	-	55 727
U.I.F	-	1 636	-	-
Medical	-	40 904	-	-
Pension	-	125 339	-	-
Subsistence and travelling expense	134 795	144 474	59 134	64 008
Total	1 638 101	1 262 466	1 308 509	1 240 207

Senior Management Costs - (Continued)

	2018/2019 R (i.e. only cents)		
	Development and Planning Manager	Technical Manager	Total
Annual Salary	-	-	3 711 643
Bonuses	-	-	243 421
Car allowance	-	-	655 951
Acting	-	-	66 915
Leave Days	-	-	-
Rural Allowance	-	-	201 063
U.I.F	-	-	1 636
Medical	-	-	40 904
Pension	-	-	125 339
Subsistence and travelling expense	-	-	402 411
Total	-	-	5 449 283

Senior Management Costs (Continued)

	2017/2018 R (i.e. only cents)			
	Municipal Manager	Chief Financial Officer	Community Service Manager	Corporate Service Manager
Annual Salary	927 667	-	942 350	210 349
Bonuses	67 708	-	88 987	-
Car allowance	-	-	-	-
Acting	58 733	249 340	-	42 311
Leave Days	359 638	-	-	-
Subsistence and travelling expense	102 020	-	125 488	40 000
Total	1 515 767	249 340	1 156 825	292 660

Senior Management Costs (Continued)

	2017/2018 R (i.e. only cents)		
	Development and Planning Manager	Technical Manager	Total
Annual Salary	81 250	-	2 161 616
Bonuses	-	-	156 695
Car allowance	-	-	-
Acting	-	-	350 384
Leave Days	-	-	359 638
Subsistence and travelling expense	8 570	-	276 078
Total	89 819.79	-	3 304 411.92

28.2 Municipal Staff

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Salaries and Wages	84 102 852	94 587 693
Contributions for UIF, pensions and medical aids	21 348 062	22 209 910
Travel, motor car, accommodation, subsistence and other allowances	6 138 879	8 584 543
Housing benefits and allowances	111 609	88 208
Overtime payments	7 997 912	9 097 075
Bonuses	6 870 427	8 239 927
Long-service awards	1 146 972	782 186
Other employee related costs	2 092 180	800 223
Provision for leave	3 498 571	1 500 205
Provision Post Retirement Medical Aid Benefits	1 636 278	-767 741
Annual Bonus - Provision	570 658	-88 224
Salaries paid under operational grant expenditure	-	-2 913 000
Total	135 514 399	142 121 004

29 Remuneration of Councillors

		2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Mayor	29.1	903 871	870 814
Speaker	29.2	731 975	705 529
Chief Whip	29.3	689 003	664 211
Executive Committee	29.4	414 804	390 123
Full Time Councillors	29.5	2 067 009	1 992 633
All Other Councillors	29.6	5 418 530	5 274 944
Total		10 225 193	9 898 254

29.1 Mayor

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Allowances and Service Related Benefits		
Basic Salary	644 603	619 811
3G	3 600	-
Cell phone Allowance	40 800	40 800
Travelling Allowance	214 868	210 204
Total	903 871	870 814

29.2 Speaker

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Allowances and Service Related Benefits		
Basic Salary	515 681	495 847
3G	3 600	-
Cell phone Allowance	40 800	40 800
Travelling Allowance	171 894	168 882
Total	731 975	705 529

29.3 Chief Whip

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Allowances and Service Related Benefits		
Basic Salary	483 452	464 858
3G	3 600	-
Cell phone Allowance	40 800	40 800
Travelling Allowance	161 151	158 553
Total	689 003	664 211

29.4 Executive Committee

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Allowances and Service Related Benefits		
Basic Salary	269 703.00	259 329.74
3G	14 400.00	-
Cell phone Allowance	40 800.00	40 800.00
Travelling Allowance	89 901.00	89 993.23
Total	414 804.00	390 122.97

29.5 Full time Councillors

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Allowances and Service Related Benefits		
Basic Salary	1 450 357	1 394 575
3G	10 800	-
Cell phone Allowance	122 400	122 400
Travelling Allowance	483 452	475 658
Total	2 067 009	1 992 633

29.6 All Other Councillors

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Allowances and Service Related Benefits		
Basic Salary	3 508 673	3 390 120
3G	50 100	-
Cell phone Allowance	690 200	693 600
Travelling Allowance	1 169 558	1 191 223
Total	5 418 530	5 274 944

The Mayor, Speaker, Chief Whip and executive councillors are all full time. Each is provided with an office and secretarial support at the cost of Council. The Mayor has use of a Council owned vehicle and driver for official duties. Disclosure in terms of the MFMA, 2003, Section 124(1)(a)

29.7 Councillor's arrear consumer accounts

	Amount outstanding for more than 90 days
SM Phiri (371904)	69 195

30 Depreciation, Amortisation and Impairment

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Amortisation			
Intangible Assets	11.1	12 718	21 972
Depreciation			
Property, Plant and Equipment	9.1	26 338 593	28 066 871
Impairment Loss / Reversal Of Impairment			
Intangible Assets	11.1	-	-
Investment Property	8.1	-	-
Property, Plant and Equipment	9.1	3 186 233	1 599 981
Total		29 537 544	29 688 825

Compensation from third parties for items of PPE and Heritage Assets that were impaired, lost or given up that is included in the municipality's surplus/deficit

31 Finance cost

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Interest	31.1	876 801	1 668 128
Total		876 801	1 668 128

31.1 Interest Cost

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Annuity Loans		876 801	1 668 128
Total		876 801	1 668 128

32 Bulk Purchases

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Electricity: Eskom		114 062 716	83 308 710
Total		114 062 716	83 308 710

32.1 Electricity Losses

	2018/2019		2017/2018	
	Number	<i>R (i.e. only cents)</i>	Number	<i>R (i.e. only cents)</i>
Bulk Purchases		99 379 403		100 365 648
Sales		74 815 267		77 457 430
Usage		92 326 126		17 646 493
Total sales and usage		167 141 393		95 103 923
Free basic electricity		1 637 460		1 700 600
Grant total		168 778 853		96 804 523
kWh lost		5 415 817		3 561 125
Percentage loss		5.76%		3.68%

33 Inventory Consumed (Repair & Maintenance)

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Materials and Supplies		1 842 780	22 623 095
Total		1 842 780	22 623 095

33.1 Inventory adjustments

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Inventory - Reversal of write down to net-realizable Value		-	-
Inventory - Write-down to net-realizable Value		-	-
Total		-	-

During the year the Municipality made major repairs electrical distribution networks .The cost incurred is treated as expense because it does not meet the criteria of capitalisation.

34 Contracted Services

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Consultants and Professional Services	34.1	8 425 812	-
Contractors	34.2	9 296 285	12 288 910
Outsourced Services	34.3	5 831 571	-
Total		23 553 668	12 288 910

34.1 Consultants and Professional Services

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Business Advisory Services			
Accounting and Auditing		1 470 936	-
Business and Financial Management		1 472 062	-
Consultance and Professional		2 809 517	-
Medical Examinations		891 534	-
Total Business and Advisory Services		6 644 050	-
Legal Services			
Legal Advice and Litigation		1 781 762	-
Total Legal Services		1 781 762	-
Total Consultants and Professional Services		8 425 812	-

34.2 Contractors

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
General Services		
Safeguard and Security	7 410 425	12 288 910
Total General Services	7 410 425	12 288 910
Maintenance Services		
Maintenance of Buildings and Facilities	88 451	-
Maintenance of Equipment	89 272	-
Maintenance of Unspecified Assets	1 708 137	-
Total Maintenance Services	1 885 860	-
Total Contractor	9 296 285	12 288 910

34.3 Outsourced Services

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Business and Advisory Services		
Valuer	60 618	-
Total Business and Advisory Services	60 618	-
General Services		
Burial services	21 260	-
Catering Services	99 665	-
Drivers Licence Cards	256 355	-
Dumping Site	5 393 672	-
Total General Services	5 770 953	-
Total Outsourced Services	5 831 571	-

35 Transfers and Subsidies

		2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Operational			
Monetary Allocations	35.1	3 857 391	2 913 000
Total Transfers and Subsidies: Operational		3 857 391	2 913 000

35.1 Monetary Allocations: Operational

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
FMG	1 900 000	1 900 000
EPWP	1 040 000	1 013 000
MSIG	917 391	-
Total	3 857 391	2 913 000

Disclosure in terms of the MFMA, 2003 Section 123(1)(b)

36 Operational Costs

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Advertising	205 541	292 667
Audit fees	2 482 021	2 782 235
Bank charges	511 820	695 194
Bursaries	105 457	282 519
Conferences and delegations	152 859	869 497
Consulting fees	-	8 335 949
Entertainment	613 765	574 887
Fuel and oil	839 273	2 397 518
Insurance	3 123 264	2 638 619
Legal expenses	-	1 760 067
Licence fees - vehicles	1 557 873	1 002 155
Licence fees - computers	834 982	1 880 011
Membership fees	-	1 779 053
Postage	277 288	374 301
Printing and stationery	583 147	591 962
Skills development levies	1 099 062	-
Stock and materials	232 890	-
Salga	1 244 500	-
Telephone cost	1 854 777	2 325 622
Training	-	1 021 507
Travel and subsistence	9 508 642	8 846 676
Uniforms & overalls	300 475	178 409
Valuation costs	-	5 770 109
Medical examination	-	856 175
Mayor excellence awards	-	451 552
Municipal Activities	1 077 678	1 778 152
Newspaper	-	16 338
Interest late payment	870 316	610 136
Township Establishment	2 770 000	6 770 400
Signage	-	14 003
Transaction Fees & Drivers cards	-	224 690
Total	30 245 630	55 120 404

Operating leases (as a lessee)

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Minimum lease payments	-	-
Within one year	-	-
In second to fifth year inclusive	-	-
After five years	-	-
Total	-	-
Total future minimum sublease payments expected to be received at the reporting date		
Total contingent rents recognised as expense in the period		

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Operating Leases consists of the following:

Operating lease payments represent office space payable by the municipality for certain of its office space leased. Leases are negotiated for an average of 1 year and have an annual escalation of 8%

Operating Leases consists of the following:

Operating lease payments represent photo copier payable by the municipality for certain of its office equipment. Leases are negotiated for an average term of three years to five years and payments are fixed for a year and annual escalation of 10%

37 Net Cash From/(Used) Operating Activities

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Surplus/(deficit) for the year	-46 375 653	-65 461 261
Adjustment for:-Non cash items		
Depreciation and amortisation	26 351 311	28 088 843
Finance costs	876 801	1 668 128
Non-cash Grant		-
(Gain) / loss on sale of assets	60 638	-
Contribution to provisions bad debts	9 559 237	3 401 783
Fair value adjustments	837 799	-
Impairment loss / (reversal of impairment loss)	-3 186 233	-1 599 981
Provision for leave	2 922 229	1 500 205
Provision post retirement medical aid benefit	1 636 278	-767 741
Annual bonus-Provision	570 658	-88 224
Provision for landfill site		
Operating surplus before working capital changes:	-6 746 936	-33 258 249
(Increase)/decrease in inventories	1 736 323	1 921 826
(Increase)/decrease in trade receivables-exchange transaction	-11 220 590	-27 525 668
(Increase)/decrease in other receivables-non exchange	-35 177 641	1 062 660
(Increase)/decrease in VAT receivable	-6 453 969	5 645 280
(Increase)/decrease in investment	1 016	-1 874 974
Increase/(decrease) in conditional grants and receipts	-1 722 334	4 091 461
Increase/(decrease) in trade payables-exchange transaction	40 593 981	27 987 765
Increase/(decrease) in consumer deposits	179 549	-
increase in payables from non exchange	37 557 646	2 600 130
Employee benefit and provisions	2 922 229	672 209
Cash generated by/(utilised in) operations	21 669 276	-18 677 559

38 Correction prior year errors

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Overstatement on accruals		
During the year it was discovered that accruals in the previous year were overstated due to duplication of invoices and some invoices omitted from the list.		
This relates to the 2015-2016 financial year.		
Net effect on the Accruals (Provision)-Decrease	-	392 370
Increase in accumulated surplus	-	-392 370
Net effect on accumulated surplus	-	-392 370
Heritage assets-Overstatement		
During the year it was discovered that heritage assets to the value of R 5200 were disposed off by Council in the previous year but were not derecognised in the prior year.		
This relates to the 2015-2016 financial year		
Net effect on heritage assets-Decrease	-	5 200
Decrease in accumulated surplus	-	-5 200
Decrease in heritage assets	-	-5 200
Net effect on accumulated surplus	-	5 200
During the year it was discovered that a amount of R 56 142 being the investment income on accrued interest was not accounted for in the previous year.		
This relates to the 2015-2016 financial year		
Increase in investment income	-	56 143
Increase in accumulated surplus	-	56 143
Net effect on accumulated surplus	-	56 143
During the year it was discovered that a building that do not belong to the municipality was incorrectly capitalised to the municipality's asset register. This was a library belonging to the Department Arts and Culture. The building was removed from the asset register.		
Decrease In PPE-Buildings	-	-833 011
Decrease In accumulated depreciation	-	464 432
Decrease In accumulated surplus	-	-368 579

During the year 2017-2018 it was discovered that investment property which do not belong to the municipality were incorrectly capitalised to the Municipality's investment register. These properties were removed from the asset register.		
Decrease on investment property	-	4 095 000
Decrease on accumulated surplus	-	-4 095 000
Net effect on accumulated surplus	-	-4 095 000
During the year 2017-2018 it was discovered that revenue and a debtor as a result of the disestablishment of the former Mutale Local municipality was supposed to be raised. These are funds that were supposed to be transferred to Musina Municipality as part of the agreement between Mutale and Musina for taking over former Mutale employees. The monies were transferred in the current year, however they were due in the previous years.		
Increase in revenue	-	20 385 495
Increase in debtors	-	-20 385 495
Net effect on accumulated surplus	-	-
During the year it was discovered that debtors relating to years back in connection with Vehicles that were auctioned is overstated, monies for such auctioned were receipted 2 years ago, however they were not receipted against the correct account.		
Decrease in debtors	-	-237 000
Increase in Accumulated surplus	-	237 000
Net effect on accumulated surplus	-	237 000
During the year it was discovered that Cut off receivable in the 2017 year was incorrectly classified as receivable from non exchange transaction instead of correctly classifying it as receivable from exchange transaction. This was corrected in the current year. This will not have any impact accumulated		
	-	-
During the year it was discovered that interest on late payment relating to the 2017/2018 financial was not levied on debtors owing the Municipality, this was due to challenges regarding the system and implementation of MSCOA, the interest was estimated. Provision against the whole estimated amount was done, leaving accumulated surplus not affected.		
	-	-
Increase in Revenue	3 086 725.29	
Decrease in accumulated surplus	-3 086 725.29	
During the year it was discovered that an amount of R1500 000 relating to unspent MIG was overstated on the unspent grants balance, this relates to the 2016/17 unspent grants which was offset against equitable share.		
Decrease in liabilities	-1 500 000.00	-
Increase in accumulated surplus	1 500 000.00	-

39 Unauthorised, Irregular, Fruitless and wasteful expenditure disallowed

		2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Unauthorised expenditure	39.1	37 836 990	37 836 990
Fruitless and wasteful expenditure	39.2	46 211 081	39 735 207
Irregular expenditure	39.3	149 899 485	146 880 956
Total		233 947 556	224 453 154

39.1 Unauthorised expenditure

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Opening balance	37 836 990	37 836 990
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	37 836 990	37 836 990

This relates to expenditure on non cash items not budget for.

39.2 Fruitless and wasteful expenditure

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Opening balance -	39 735 207	36 787 133
Fruitless and wasteful expenditure current year	6 475 873	2 948 074
Condoned or written off by Council	-	-
Transfer to irregular	-	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	46 211 081	39 735 207

Fruitless and wasteful relates to interest on late payments

39.3 Irregular expenditure

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Opening balance	146 880 956	125 146 248
Irregular expenditure-current year	3 018 529	21 734 708
Identified in the current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	149 899 485	146 880 956

Due to deviations from the procurement processes (invitations of three written quotations, increase to bidding price, and no relevant contract or tender documentation) that were approved on the basis of it being an emergency, while it was possible to comply with the requirements or where proper planning would have prevented the deviations. Due to contracts that were extended or renewed to such an extent that competitive bidding processes were being circumvented, Not comply with conditions as stipulated in the DORA allocation (By using the Conditional grants for other commitments) and not complying with the basic conditions of employment by paying employees overtime more than 40 hours a week were it could have been avoided.

40 Additional Disclosures in Terms of Municipal Finance Management Act

40.1 Contributions to SALGA

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Opening balance	662 020	616 880
Council subscriptions	1 207 000	1 045 140
Amount paid - current	-	-
Amount paid - previous years	-	-1 000 000
Balance unpaid	1 869 020	662 020

40.2 Audit fees

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Opening balance	2 342 903	2 462 672
Current year audit fee	2 330 921	2 342 903
Amount paid - current year	-414 621	-2 154 838
Amount paid - previous years	-2 342 903	-307 834
Balance unpaid	1 916 301	2 342 903

40.3 VAT

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
VAT input receivables and VAT output payables are shown in note 13. All VAT returns have been submitted by the due date throughout the year.		

40.4 PAYE and UIF

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Opening balance	1 882 743	1 978 478
Current year payroll deductions	21 076 588	22 157 254
Amount paid - current year	-19 330 296	-20 274 510
Amount paid - previous years	-1 882 743	-1 978 478
Balance unpaid	1 746 292	1 882 743

40.5 Pension and Medical Aid Deductions

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Opening balance	2 423 129	1 313 931
Current year payroll deductions and Council Contributions	20 424 990	19 121 880
Amount paid - current year	-18 841 878	-18 012 681
Amount paid - previous years	-2 423 129	
Balance unpaid	1 583 113	2 423 129

41 Capital Commitments

Commitments in respect of capital expenditure

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
- Approved and contracted for	11 609 530	18 643 525
Infrastructure	8 185 989	11 188 864
Community	3 423 541	7 454 661
- Approved but not yet contracted for	37 616 000	42 067 400
Infrastructure	22 865 541	29 500 000
Community	14 750 459	12 567 400
SubTotal	49 225 530	60 710 925

Commitments in respect of operating project expenditure

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
- Approved and contracted for	42 051 422	60 709 593
Infrastructure	-	-
Community	-	-
Heritage	-	-
Budget & Treasury	42 051 422	60 709 593
- Approved but not yet contracted for	1 400 000	1 424 600
Infrastructure	1 400 000	1 424 600
Community	-	-
Heritage	-	-
Budget & Treasury	-	-
SubTotal	43 451 422	62 134 193
Total	92 676 952	122 845 118

This expenditure will be financed from:

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
- External Loans		-
- Government Grants	39 016 000	62 135 525
- Own resources	53 660 952	60 709 593
Total	92 676 952	122 845 118

42 Contingent Liabilities

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
<i>The following contingent liabilities have been incurred by Musina Municipality:</i>		
The council is being sued by Mr Dickson Pesulo, a non employee, for loss of income. The cost of income lost is estimated at R146 000. The Court date had been set the case is still on going.	146000	146000
Swatika Construction - Termination of contract for fuel. The plaintiff wants the Municipality to pay damage for the remainder of the contract.	2 174 195	2 174 195
The Mercies (Pty) Ltd - The plaintiff alleges that the Municipality did not pay them the full contractual amount for additions and alterations to the Lesley Manyathela Stadium Tender 4/2009	314 582	314 582
W Moraba - claims that employees of the municipality wrongly and maliciously set the law in motion by laying a false charge of public violence and malicious damage to property.	400 000	400000
The Minister of water affairs is suing the municipality for water charges , total amount claimed	1 530 368	1 530 368
Molebu Rieniekie Hlogwane & Kenny Mashudu Lesiba -The plaintiffs are suing the municipality for wrongful and untimely death of their child. They alleges that their child death was solely as a result of the negligence part of the municipality and are claiming payment of R3200 000.	3 200 000	-
Ntsumbedzeni Collins Mathoma -The applicant , who is an employee of the Municipality alleges unfairly discrimination practice against him. The applicant alleges that he was appointed on post level 5 together with another employee and the later was promoted to level 4. In view of this the applicant is claiming R 336 000 compensation which is equivalent to 12 months salary in terms LRA.	336 000	-

43 Contingent Assets

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
<i>The following services were received in-kind by Musina Municipality during the year</i>		
The Municipality did not have any contingent assets during the year.	-	-

44 Related Party Disclosures

44.1 Nature of Related Party Relationships

Related Party	Nature of Relationship
Vhembe District Municipality	As Vhembe District Municipality is the Water Services Authority and Musina Local Municipality is the water services provider , how ever the service level agreement was in dispute and the dispute was lodged with National Treasury for a final decision. The final decision from National Treasury states that all assets should be in the books of Vhembe District Municipality therefor Musina Local Municipality will not include any water transations or assets in their Annual Financial Statements. The following transactions are involved:

44.2 Related Party Transactions

Entity Nature of Transaction 2018/2019

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Revenue		
Revenue:Exchange Revenue:Interest Dividend and Rent on Land:Interest:Receivables:Service Charges	-20	
Revenue:Exchange Revenue:Service Charges:Waste Water Management:Sanitation Charges	-1 047 392	-1 075 728
Revenue:Exchange Revenue:Service Charges:Water:Connection/Disconnection	-145 261	-116 712
Revenue:Exchange Revenue:Service Charges:Water:Sale:Prepaid	-374 503	-23 403 792
Revenue:Exchange Revenue:Service Charges:Water:Sale:Prepaid	-122 571	-6 665 351
Revenue:Exchange Revenue:Service Charges:Water:Sale:Prepaid	-21 634 539	-2 922
Revenue:Exchange Revenue:Service Charges:Water:Sale:Prepaid	-6 462 856	-711 186
Expenditure		
Contracted Services:Consultants and Professional Services:Laboratory	27 320	56 896
Contracted Services:Contractors:Maintenance of Unspecified Assets	207 206	264 051
Inventory Consumed:Materials and Supplies	445 826	423 777
Operational Cost: Advertising Publicity and Marketing: Auctions		17 456
Operational Cost:Communication:Telephone Fax Telegraph and Telex	4 525	29 319
Operational Cost:Communication:Telephone Fax Telegraph and Telex	36 975	5 727
Operational Cost:Municipal Services		25 346 540
Operational Cost:Municipal Services	7 878	447 710
Operational Cost:Municipal Services	525 846	41 952
Operational Cost:Printing Publications and Books	27 227	34 955
Operational Cost:Registration Fees:Seminars Conferences Workshops and Events:National		6 015
Operational Cost:Travel and Subsistence:Domestic:Daily Allowance	9 309	9 930
Operational Cost:Uniform and Protective Clothing	10 260	28 191
Operational Cost:Wet Fuel	484	124 960
Operational Cost:Wet Fuel	32 867	
Employee Related Cost		15 553 799

44.3 Related Party Transactions

Related Party Balances Outstanding

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Receivables	188 118 741	155 587 313.89
Payables	224 031 363	183 299 132

44.4 Remuneration of key management personnel - refer to note 29

Other remuneration and compensation provided to key management and their close family members (Paragraph 34(b))

During the reporting period the Municipality provided total remuneration and compensation of R 197 107.50 (2019) to close family members of, and key management personnel. This amount consists of the remuneration of Municipal employee who are close members of the members of key management personnel.

44.5 Remuneration Councillors - refer to note 30

During the reporting period the Municipality provided total remuneration and compensation of R 979 047.40 (2019) to close family members of, and councillors. This amount consists of the remuneration of Municipal employees who are close members of the members of Councillors.

45 Events after the Reporting Date

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
The Accounting officer is not aware of any significant material matter or circumstances that occurred after year end that warrant adjustment of or disclosure in the financial statement.	-	-

46 Key Sources of Estimation Uncertainty and Judgements

<p>The following areas involve a significant degree of estimation uncertainty:</p> <p>Useful lives and residual values of property, plant, and equipment Recoverable amounts of property, plant and equipment Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows) Present value of defined benefit obligation Provision for doubtful debts Impairment of assets Provision for long-term service award Fair Value</p> <p>The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:</p> <p>Impairment of assets Provisions</p>

47 Risk Management

47.1 Maximum credit risk exposure

	2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Financial assets exposed to credit risk at year end were as follows:		
ABSA Bank - Fixed deposits	10 732 016	10 732 016
ABSA Bank - Current/Cheque account	1 453 471	2 624 615
Trade and other receivables	225 859 037	206 201 725

These balances represent the maximum exposure to credit risk.

The municipality is exposed to an ABSA bank guarantee in favour of Eskom amounting to R10 731 000

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate. There were no changes to the risk management in the current year

47.2 Liquidity risk

		2018/2019 R (i.e. only cents)	2017/2018 R (i.e. only cents)
Consumer deposit	Less than 1 year	466 350.00	
	Between 1 and 2 years		4 688 485
	Between 2 and 5 years		
	Over 5 years		
Trade payables from exchange transaction	Less than 1 year	292410404	240 783 079
	Between 1 and 2 years		
	Between 2 and 5 years		
	Over 5 years		
Trade payables from non exchange transaction	Less than 1 year	248050321	210 492 674
	Between 1 and 2 years		
	Between 2 and 5 years		
	Over 5 years		
Long term Liabilities	Less than 1 year	2667551	4 415 477
	Between 1 and 2 years	2945385	5 612 937
	Between 2 and 5 years		
	Over 5 years		
Finance lease obligation	Less than 1 year	336561	
	Between 1 and 2 years	252421	
	Between 2 and 5 years		
	Over 5 years		
Unspent grant	Less than 1 year	5351317	8 573 651
	Between 1 and 2 years		
	Between 2 and 5 years		
	Over 5 years		

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

There were no changes to the liquidity and risk management in the current year

47.3 Interest rate risk

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
At year end, financial instruments exposed to interest rate risk were as follows:		
- ABSA Loan	-	1 990 614
- DBSA Loan	5 612 937	8 037 798

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. Municipality policy is to maintain approximately 60% of its borrowings in fixed rate instruments. There were no changes to the interest rate in the current year.

48 Change in Accounting Policy

The were no changes in accounting policy

49 Change in Estimate

The useful lives of all asset classes were adjusted during 2018/2019 to more accurately reflect the period of economic benefits or service potential derived from these assets. Refer to note 9. The effect of changing the remaining useful life of assets for the Municipality during 2018/2019 has decreased the depreciation charge for the current by R1 765 455 and future periods. It is impracticable to estimate the effect of these changes on future periods

50 Operational Grant Expenditure

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Finance Management grant [FMG]	1 900 000	1 900 000
MSIG	1 055 000	-
EPWP	1 040 000	1 013 000
Total	3 995 000	2 913 000

51 Income Forgone

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
Assesment Rates	2 254 038	1 138 985
Total	2 254 038	1 138 985

52 In-Kind Donations and Assistance

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
The Municipality did not receive any In-kind donations during the year.	-	-

53 Deviation from Procurement Processes - Supply Chain Regulation 36(2)

	2018/2019 <i>R (i.e. only cents)</i>	2017/2018 <i>R (i.e. only cents)</i>
53.1 Technical Department		
8 Occations	241 324	312 772
Supplier - Various		
Deviation due to sole provider of the required service		
53.2 Council General Expense		
53 Occations	-	351 021
Supplier - Various		
Deviation due to sole provider of the required service		
53.3 Budget & Treasury Office		
11 Occations	353 662	226 930
Deviation due to sole provider of the required service		
Supplier - Various		
53.4 Community Services		
9 Occation	116 509	102 696
Supplier - Various		
Deviation due to sole provider of the required service		
53.5 Corporate Services		
18 Occations	1 128 384	521 322
Supplier - Various		
Deviation due to sole provider of the required service		
53.6 Municipal Manager Office		
8 Occations	54 207	1 020 081
Supplier - Various		
Deviation due to sole provider of the required service		
53.7 Intergrated Development plan		
1 Occation	2 254	-
Supplier - Various		
Deviation due to sole provider of the required service		
53.8 Mayors Office		
6 Occations	175 199	1 261 867
Supplier - Various		
Deviation due to sole provider of the required service		
53.9 IT Department		
1 Occations	22 310	128 890
Supplier - Various		
Deviation due to sole provider of the required service		
Total	2 093 850	3 925 579

There was no other non-compliance with section 125(2)(e) of the MFMA

54 Going Concern

The financial statements have been prepared on a going concern basis.

The municipality is experiencing liquidity challenges as evident by the following:

- deficit of R46 167 969,
- net current liability position of R533 517 404 (2017-18 : 445 860 907),
- pressure from significant creditor Eskom to settle outstanding amount of R91m,
- low collection of amount owed to the municipality in relation to exchange and non exchange receivable Vhembe District R188 118 741

The municipality's plans to mitigate the risk highlighted above includes the following:

- Signed payment agreement with Eskom which will see the outstanding amount settled by March 2021,
- The repayment of DBSA loan by of R 3200 000 by June in 2020,

The achievement of some of the above strategies is not certain as they depend on factors outside the municipal control such as high take up of land sales, effective and positive response by consumer on the revenue strategies.

The accounting officer is satisfied that these strategies are achievable under the circumstance and that active management of cash flow strategies will be implemented to ensure the achievement of these strategies

Standards of GRAP Considered

GRAP 1 on *Presentation of Financial Statements*, excluding discontinued operations and minority interests; transfer of functions and mergers;

GRAP 2 on *Cash Flow Statements*

GRAP 4 on

GRAP 5 on *Borrowing Costs*;

GRAP 7 on *Investments in Associates*, excluding discontinued operations;

GRAP 8 on *Interests in Joint Ventures*;

GRAP 9 on *Revenue from Exchange Transactions*, excluding amounts arising from exchange of goods and services

GRAP 12 on *Inventories*;

GRAP 13 on *Leases*;

GRAP 16 on *Investment Property*;

GRAP 17 on *Property, Plant and Equipment*;

GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets*, except provisions for social benefits;

GRAP 21 on *Impairment of Non-cash-generating Assets*, except for disclosures on segments;

GRAP 23 on *Non-Exchange Revenue*;

GRAP 24 on *Presentation of Budget Information in Financial Statements*;

GRAP 25 on *Employee Benefits*;

GRAP 26 on *Impairment of Cash-generating Assets*, except for disclosures on segments and intangible assets with indefinite useful lives;

GRAP 27 on *Agriculture*;

GRAP 31 on *Intangible Assets*;

GRAP 103 on *Heritage Assets*;

GRAP 104 on *Financial Instruments*;

GRAP 20 on *Related Party Disclosures*;

GRAP 108 on *Statutory Receivables*;

GRAP 109 on *Accounting by Principals and Agents*;

Musina Local Municipality
APPENDIX A
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2019

	Cost / Revaluation						Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Movement/Transfer	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R		R	R	R	R	R		R	R	R	R	R	R
Land															
Land	29 725 202	-	-	-250 000	-	29 475 202	-	-	-	-	-	-	-	-	29 475 202
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	29 725 202	-	-	-250 000	-	29 475 202	-	-	-	-	-	-	-	-	29 475 202
Buildings	69 815 976	-	-	-	2 499 887.00	72 315 863	-16 508 984	-2 182 921	-	-	-	-18 691 905	-	-	53 623 958
Infrastructure															
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	248 551 780	-	-	-	7 540 538	256 092 318	-173 580 612	-20 154 509	-	-	-3 186 233	-196 921 354	-	-	59 170 965
Sewerage Mains & Purification	1 341 654	-	-	-	-	1 341 654	-533 833	-	-	-	-	-533 833	-	-	807 822
Electricity Mains	92 400 200	-	-	-	2 445 974	94 846 174	-45 591 940	-	-	-	-	-45 591 940	-	-	49 254 235
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	22 523 943	-	-	-	2 801 406	25 325 349	-1 702 920	-	-	-	-	-1 702 920	-	-	23 622 429
	364 817 578	-	-	-	12 787 918	377 605 496.03	-221 409 304	-20 154 509	-	-	-3 186 233	-244 750 046	-	-	132 855 450
Community Assets															
Parks & Gardens	4 219 566	-	-	-	-	4 219 566	-666 282	-142 128	-	-	-	-808 411	-	-	3 411 155
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	44 193 823	-	-	-	2 858 987	47 052 810	-6 281 480	-1 258 103	-	-	-	-7 539 584	-	-	39 513 227
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	48 413 389	-	-	-	2 858 987	51 272 376	-6 947 763	-1 400 232	-	-	-	-8 347 994	-	-	42 924 382
Heritage Assets															
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	512 772 145	-	-	-250 000	18 146 792	530 668 937	-244 866 051	-23 737 661	-	-	-3 186 233	-271 789 945	-	-	258 878 992

Musina Local Municipality APPENDIX A ANALYSIS OF PROPERTY PLANT AND EQUIPMENT as at 30 June 2019															
	Cost / Revaluation						Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Movement	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R		R	R	R	R	R		R	R	R	R	R	R
Total brought forward	512 772 145	-		-250 000	18 146 792	530 668 937	-244 866 051	-23 737 661		-	-3 186 233	-271 789 945	-	-	258 878 992
Other Assets															
Office Equipment	2 556 075	-	-	-28 723	-	2 527 352	-1 590 729	-101 247	-	23 493	-	-1 668 483	-	-	858 869
Furniture & Fittings	3 903 809	-	-	-211 262	-	3 692 547	-2 557 261	-233 946	-	191 421	-	-2 599 786	-	-	1 092 761
Bins and Containers	1 876 216	-	-	-	-	1 876 216	-1 327 858	-132 644	-	-	-	-1 460 501	-	-	415 715
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	16 462 004	-	-	-1 192 147	-	15 269 857	-10 961 655	-1 480 252	-	1 157 799	-	-11 284 108	-	-	3 985 749
Plant & Equipment	1 438 107	102 723.00	-	-24 882	-	1 515 948	-1 061 028	-89 221	-	23 662	-	-1 126 588	-	-	389 360
Car Port	8 494	-	-	-	-	8 494	-6 642	-370	-	-	-	-7 012	-	-	1 482
Computer Equipment	2 754 053	19 433	-	-87 640.00	-	2 685 846	-2 449 804	-212 609	-	87 640	-	-2 574 773	-	-	111 073
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	28 998 758	122 156.00	-	-1 544 654	-	27 576 260	-19 954 977	-2 250 290.30	-	1 484 015.54	-	-20 721 252	-	-	6 855 008.24
Finance Lease Assets															
Office Equipment	1 009 683	-	-	-	-	1 009 683	-82 988	-336 561	-	-	-	-419 548	-	-	590 134.14
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1 009 683	-	-	-	-	1 009 683	-82 988	-336 561	-	-	-	-419 548	-	-	590 134.14
Total	542 780 585.40	122 156	-	-1 794 654	18 146 792	559 254 879	-264 904 015	-26 324 512	-	1 484 016	-3 186 233	-292 930 745	-	-	266 324 134

Musina Local Municipality
APPENDIX A
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2018

	Cost / Revaluation						Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Movement/Transfers	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R		R	R	R	R	R		R	R	R	R	R	R
Land															
Land	29 725 202	-	-	-	-	29 725 202	-	-	-	-	-	-	-	-	29 725 202
Sport Fields	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	29 725 202	-	-	-	-	29 725 202	-	-	-	-	-	-	-	-	29 725 202
Buildings	65 487 642	4 328 334	-	-	-	69 815 976	-14 391 983	-2 117 000	-	-	-	-16 508 984	-	-	53 306 992
Infrastructure															
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	234 259 043	14 292 737	-	-	-	248 551 780	-151 465 102	-20 538 112	-	-	-1 577 398	-173 580 612	-	-	74 971 168
Sewerage Mains & Purification	1 341 654	-	-	-	-	1 341 654	-533 833	-	-	-	-	-533 833	-	-	807 822
Electricity Mains	92 400 200	-	-	-	-	92 400 200	-45 591 940	-	-	-	-	-45 591 940	-	-	46 808 261
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	22 523 943	-	-	-	-	22 523 943	-1 702 920	-	-	-	-	-1 702 920	-	-	20 821 023
	350 524 841	14 292 737	-	-	-	364 817 578.03	-199 293 794	-20 538 112	-	-	-1 577 398	-221 409 304	-	-	143 408 274
Community Assets															
Parks & Gardens	4 219 566	-	-	-	-	4 219 566	-524 154	-142 128	-	-	-	-666 282	-	-	3 553 283
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	39 207 631	-	-	-	4 986 192	44 193 823	-5 056 311	-1 225 169	-	-	-	-6 281 480	-	-	37 912 343
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	43 427 197	-	-	-	4 986 192	48 413 389	-5 580 465	-1 367 298	-	-	-	-6 947 763	-	-	41 465 626
Heritage Assets															
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artifacts	65 210	-	-	-	-	65 210	-	-	-	-	-	-	-	-	-
	65 210	-	-	-	-	65 210	-	-	-	-	-	-	-	-	-
Total carried forward	489 230 092	18 621 071	-	-	4 986 192	512 837 355	-219 266 242	-24 022 410	-	-	-1 577 398	-244 866 051	-	-	267 906 094

Musina Local Municipality APPENDIX A ANALYSIS OF PROPERTY PLANT AND EQUIPMENT as at 30 June 2018															
	Cost / Revaluation						Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Movement	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R		R	R	R	R	R		R	R	R	R	R	R
Total brought forward	489 230 092	18 621 071		-	4 986 192	512 837 355	-219 266 242	-24 022 410		-	-1 577 398	-244 866 051	-	-	267 906 094
Other Assets															
Office Equipment	2 535 661	51 856	-	-31 442	-	2 556 075	-1 457 349	-157 921	-	31 442	-6 901	-1 590 729	-	-	965 346
Furniture & Fittings	3 919 654	3 317	-	-19 162	-	3 903 809	-2 184 032	-384 574	-	19 162	-7 818	-2 557 261	-	-	1 346 548
Bins and Containers	1 727 636	148 580			-	1 876 216	-1 095 673	-232 185				-1 327 858	-	-	548 358
Emergency Equipment		-		-	-	-	-	-		-	-	-	-	-	-
Motor vehicles	15 239 421	1 222 583	-		-	16 462 004	-8 377 924	-2 583 732	-			-10 961 655	-	-	5 500 349
Plant & Equipment	1 252 454	185 652	-	-	-	1 438 107	-881 374	-179 654	-	-	-	-1 061 028	-	-	377 078
Car Port	8 494	-			-	8 494	-6 025	-617	-			-6 642	-	-	1 852
Computer Equipment	2 492 211	302 978	-	-41 137	-	2 754 053	-2 037 703	-445 374	-	41 137	-7 864	-2 449 804	-	-	304 249
Computer Software (part of computer equipment)	-	-			-	-	-	-		-	-	-	-	-	-
Other Assets	-	-		-	-	-	-	-		-	-	-	-	-	-
	27 175 532	1 914 967	-	-91 741	-	28 998 758	-16 040 079	-3 984 056	-	91 741	-22 584	-19 954 977	-	-	9 043 781
Finance Lease Assets															
Office Equipment	-	1 009 683		-	-	1 009 683	-	-82 988	-	-	-	-82 988	-	-	926 695
Other Assets	-	-			-	-	-	-		-	-	-	-	-	-
	-	1 009 683	-	-	-	1 009 683	-	-82 988	-	-	-	-82 988	-	-	926 695
Total	516 405 624	21 545 721	-	-91 741	4 986 192	542 845 795	-235 306 321	-28 089 454	-	91 741	-1 599 981	-264 904 015	-	-	277 876 570

Unaudited Annexure schedule